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CO-OPERATIVE GOVERNMENT

by

WILLIAM IRVINE, M.P.,

Author of

"The Farmers in Politics,"
etc.

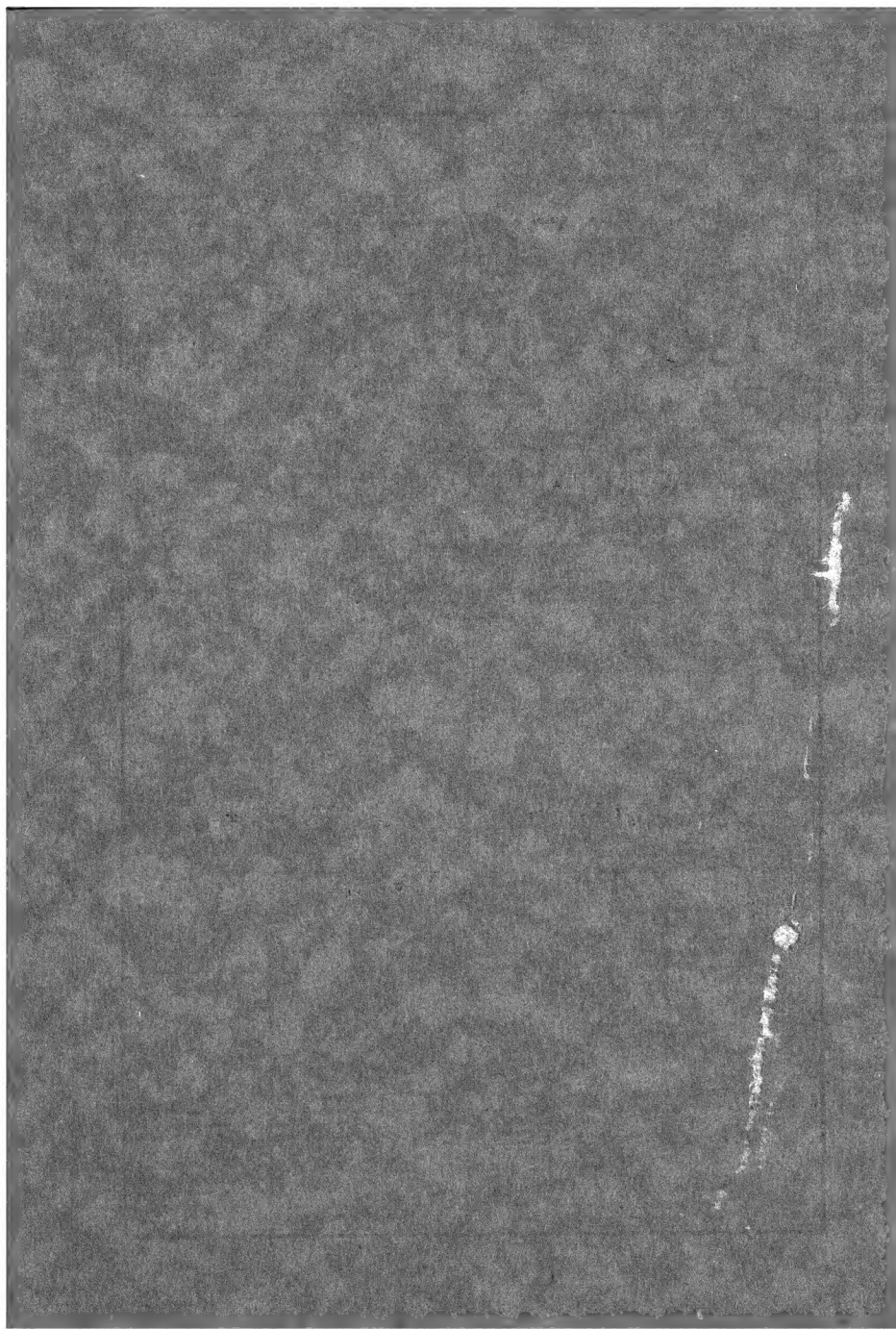
Special United Farmers' Edition

Price, One Dollar.

With a Foreword by

H. W. WOOD, Esq., LL.D.,

President of the United Farmers of Alberta, and
Chairman of the Alberta Wheat Pool.



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Foreword

William Irvine has written this book, to which he has given the title "Co-operative Government." I haven't as yet had an opportunity to read it, but I know Bill Irvine. The book consists of a compilation of his addresses.

As a platform orator, Mr. Irvine is sincere; a fluent speaker, and a brilliant thinker. If you have heard his addresses you will enjoy his book. If you have not heard him, and read his book, you will wish you had heard him. Read his book and pass it on to your neighbor.

H. W. WOOD.

Calgary, Alberta,
December 16, 1929.

The United Farmers' Movement

The United Farmers' movement has been in existence for over twenty-one years. Its highest development, so far, has been reached in the prairie provinces and in Ontario.

In Alberta, the organization is known as the "U. F. A.," in Saskatchewan as the "U. F. C., Saskatchewan Section," in Manitoba as the "U. F. M.," and in Ontario as the "U. F. O."

These provincial organizations are autonomous, but there has not been any successful effort so far at federating the various sections as a national movement. While there is similarity in methods of organization, and the principle of co-operation is held in common as a philosophy, the provincial units vary greatly in their attitudes toward matters political.

It is true that each provincial unit of the organized farmers in Canada regards the party system as an outworn institution, but they differ up to the present as to what should be done about it. The U. F. O. was the first to strike out in a new way. The Executive alone appeared to know what was being done, the leader selected was weak, and ignorant of the constructive idea with which he was charged. The U. F. O. was compelled to disown its own child, which eventually gave up the ghost in the camp of the Liberal party.

The U. F. M. gave its official recognition to the Progressive party, but refused to accept responsibility for the actions of that party. The result has been that there is no difference between the Progressive party and any other party. Under the leadership of Hon. Mr. Bracken, the Progressives are in charge of the administrative affairs of the province, but the Progressives elected to the Federal House from that province, with one notable exception, have become appendages of the Liberal party.

In Saskatchewan, the movement has been dominated by Liberal party leadership since its inception. The result is that, although the U. F. C. denounces party politics, its members continue to vote for the object of their denunciation, and openly refuse to accept the political responsibilities which democracy imposes.

In Alberta, the U. F. A. took political action in 1921 as a democratically-organized economic group. It has been in charge of provincial affairs since that time, and every rural seat in the Federal field has also been held by a U. F. A. representative. Has the U. F. A. found the secret of democratic political action?

The author of "Co-operative Government" claims that the U. F. A. has found at least one practical way of accepting and discharging the responsibilities of democratic citizenship. He offers the U. F. A. method as a study to all branches of the United Farmers' movement in Canada.

No class can afford to ignore political responsibility under a democratic system. The Conservative party offers one policy to the people at every election, while the Liberal party offers another. Neither of these policies is what the people want. It is not their policy; they should have a policy of their own, and one for which they are willing to accept responsibility. The way to obtain this is not by supporting either party nor by creating a new party. What is wanted is a new sort of political organization, with a view to providing a democratic system of government. The author has outlined a method by which this can be done.

Introduction

The following chapters have all been subjects of popular lectures delivered at various times and places throughout the Dominion. The interest shown in these discussions was so marked that I resolved to compile the addresses in the present volume. They appear substantially as delivered, and doubtless will contain many of the weaknesses peculiar to platform style. Nevertheless, this book is published in the hope that it will stimulate thought on the current problems with which it deals, and that it will assist the people of Canada to understand something of what the United Farmers of Canada, and of Alberta in particular, mean by group organization and its implication of "Co-operative Government."

WILLIAM IRVINE.

Bentley, Alberta,
December 2, 1929.

Chapter I

How Canada is Governed

THE best that can be said for any government anywhere today is that it does govern in some sort of fashion. It speaks and acts with authority; it levies and collects taxes and conducts the various departments of public business more or less inefficiently; it administers the inherited legacy of "Law and Order," so beloved by static minds, and thus helps to give confidence to a law-abiding and orderly people. Indeed, the meagre compliment that any government is better than no government may be wisely paid to all governments. With these gratuitous and, one might say, magnanimous concessions, the way is clear to state frankly how Canada is governed. High-sounding theories about representative or responsible government and eloquent vaporings about the virtues of our democracy so miraculously saved in the Great War must be put aside temporarily at least while a few facts are brought to light about the working of the system with which these "sounding brass and tinkling cymbal" phrases are connected in the popular imagination.

Government in Canada, generally speaking, appears to be neither better nor worse than governments elsewhere. It is true, of course, that we took our system over as a going concern from Great Britain. It was, and is, presumed that the system is the best in the world. The chief reason for that assumption is that since we have made the system ours, it must be the best. The Russian system and the American

system are each the best, in the judgment of their respective peoples, also for the same reason. That a system of government does not, like wine, improve in flavor with age, has not occurred to many as yet, and certainly the notion that it does not would be regarded officially as the rankest heresy. The fact is that a system of government is really more aptly likened to a suit of clothes, in that it should fit all the conditions of a self-governing people as perfectly as a well-fitting suit upon a person for whom it was designed. In making a suit of clothes, due regard must be given to the person who has to wear it as well as to the appropriateness of the time and place at which it is to be worn. Canada took over the second-hand political clothing of another country. We appropriated our grandfather's cloak, so to speak. It never did fit properly. At first it was too large for the elf that got into it, but now it is much too small for the robust, developing giant, so much so that the seams are bursting open embarrassingly; moreover, it is very much out of style, and is grotesquely unsuitable for our use.

Compare a plump Prime Minister in gold braid, or a Speaker in silk stockings, knee breeches and cocked hat, with the Canada of the farm, the mine and the factory, in overalls, or with the dapper Canada in holiday attire. The contrast is no more striking than that which exists between a form of government taken over by a new country on account of its past history in another country, and the form of government which would have naturally grown up in Canada as reflecting the economic conditions

and political ideals of our own people had we created rather than copied our institutions.

Parliament, being composed of the elected representatives of the people, is regarded as a part of the machinery of government. In reality, however, Parliament has little or nothing to do with either government policy or administration. It is a stage upon which the farce of democratic government is played. Theoretically, of course, Parliament is supreme. Practically, it is merely, an excuse for whatever policy the government of the day may desire to follow. Were Parliament really supreme, individual members would have to accept responsibility for what they allowed the government to do. But the individual member is not responsible to the people; he, or she, is responsible to the party, the party is responsible to the Cabinet and the Cabinet to the invisible government—and the people be damned!

One cannot help reflecting upon what would happen if the entire population of Canada could sit in the gallery for one session of Parliament. The proximity of so many votes might have the effect of counteracting the influence of the party whip and help to force into action whatever intelligence the members of Parliament may have. Incidentally, this speculation suggests that the remoteness of the people from governmental affairs has much to do with their apathy, and leads to the affirmation that, if the people were properly organized so as to enable them to accept the responsibility of democratic citizenship, Parliament might fulfil to a very considerable degree the high functions ascribed to it in theory

by the protagonists of the party system of government. At any rate, I venture the opinion that if the electorate could remain in the gallery for one session, Parliament would be reformed or abolished. As things are now, the only good reason why any person should be sent to Parliament is that he or she might alter it from being the plaything of power-infatuated parties and the instrument of financial interests, to become the true and untrammelled expression of the people's will.

If the voters were to be privileged to observe Parliament in action at close range, the first thing which they would notice and be depressed by would probably be the spirit of conflict which pervades and dominates every session from the Speech from the Throne to the closing ceremony. The toil-worn farmer enjoying the months of respite in the gallery would have time to reflect upon the theory that the stronger the opposition the better the government. Would his lesson of this practice in Parliament convince him that he ought to carry the principle of conflict and opposition into all his other business? Would he go back to his farm and advocate that the party system should be adopted in the wheat pool, and that it would prosper better with a strong opposition on its board of directors? Or suppose he should be so elated with conflict as a means of doing business successfully that he should return to his home and decide to hire a man to oppose him on the farm, in the belief that if an official opposition was good for Parliament it ought to be good for farming. What if he were to instruct his hired man in the following manner?:

How Canada is Governed

"John, I have discovered as a result of my visit to Parliament that opposition is the one thing needful to my success as a farmer, so I am hiring you as my official opposition. No matter how clearly I explain to you why a certain thing should be done, you must do all in your power to see that it is not done; when you see me harnessing the horses, you must at once commence to unharness them; if I go to round up the cows, you get on a horse and scatter them far and wide; in other words, do all you can to prevent me from doing anything."

If any farmer were so bereft of reason as to do such a thing, the poor fellow would spend the rest of his days in a lunatic asylum, and yet, as a matter of principle, opposition in Parliament as a means to efficient government is just as insane as the action of the farmer in the case supposed. A principle that is foolish in the farm-yard does not become the acme of wisdom when applied on the floor of the House of Commons. And yet opposition is applied as a principle of wisdom in Parliament. An official Opposition is recognized, and a specified salary is allowed the leader. The Canadian people pay the Prime Minister a salary to promote legislation and lead the government while at the same time they pay a leader of an Opposition to prevent the Prime Minister from passing legislation and to hinder him in every possible way from leading the government.

It may be argued by some that the above is not a fair statement of the case, and that the proper function of an Opposition is to offer constructive criticism, with a view to improving legislation. The reply to

this possible objection is that it is pure theory, while the foregoing is a description of the actuality which would be witnessed by the electorate if they visited any session of Parliament.

But what of the claim that the function of an official Opposition is to offer constructive criticism with a view to improving legislation? When did it occur in the Canadian Parliament that the Government altered its policy at the request of the Opposition, or that an amendment moved by the Opposition to government proposals of any consequence was ever accepted by any government? Such reasonable things happen in dreams only; they never happened, nor indeed can they happen under parliamentary practice. For instance, the fiscal policy of any government as prescribed in the annual budget is invariably the centre of the Opposition's attack. It is on the budget that the Opposition is most prolific in constructive suggestions. But everyone knows that if the Government were to alter its policy and accept the advice of the Opposition, the Government would be defeated immediately. It is, therefore, ludicrous in the extreme for an Opposition to exist to perform a function which is forbidden by the constitution and which has probably never been performed in history without bringing the constitutional consequence, which is the defeat of the administration.

The fact is that the bi-party system of government is a system which owes its life to conflict. If conflict between the two parties were to cease, there would be only one party, in which case the bi-party system would cease to be practicable and the con-

stitution would be threatened. From this point of view, parties must strive to keep apart in order to save the very constitution itself. If there should be no issue upon which a conflict can be based, then such an issue must of necessity be created, for it would never do to allow the constitution to die because of the lack of something to fight about.

It is true, of course, that a coalition government is recognized as constitutional, for it has been found imperative to lay aside party strife during a national crisis. No other feature of the bi-party system speaks so eloquently against the system as the fact that when unusual danger threatens the nation it has been found necessary to abandon party strife. Time and time again it has been found imperative, both in British and Canadian history, to cease party strife when the nation was in danger, and to unite the two parties in the best interests of the state. If, as history indicates, party conflict is too dangerous to practice in a national crisis, then it is only less dangerous by degrees to continue such futile bickering in normal times. Of course, coalitions have always been more or less artificial. They are party truces for the time being. The desire for power always lurks in the shadow of the truce and invariably will tend to nullify the benefits which might otherwise accrue from unity.

The elector in the gallery would not fail to see that the desire of the parties for office, with its emoluments and glory, is what gives reality to party strife. There is no fundamental difference either in policy or practice between the contending parties. The invisible influences affecting governments, which are

to be dealt with in a subsequent section, bear upon both parties alike. It would not be easy to determine which of the two historic parties in Canada is the more servile to those who, in the ultimate, determine government policy. Their being united in their servility to those forces which, in the interests of the people at large, should be suppressed, gives point to the growing suspicion that the bi-party system represents the militant tactics of a conscious though conscienceless invisible government. The tactics appear to be to keep the masses so busy fighting each other that they will have no time to think of their real enemies. The glory of office is sufficient incentive to make the fight between the parties real enough to escape detection by the masses. Knowing full well that the only effect of a change of government will be that the party that is out of office will get into office, they push political warfare to the extreme limit on all occasions.

The results of party conflict in Parliament, however, are very marked. Party interests are paramount. The issues are forgotten in the scramble, and the people are a long way off. The party is always nearer to the individual member than the voters are. If a member votes contrary to the interests of his electorate, he still has a chance. His people are not very much interested in what he is doing, they do not follow his actions closely; they may not get to know how he voted, and even if they do hear of it, they will probably forget before the next election. Not so with the party. It is ever present. To vote against it is there and then to

commit political suicide. The result is that very often members of Parliament, under the discipline of the party whip, vote against their own people and against their own convictions. The people will understand how these things are done, for the member of Parliament votes for his party in the House of Commons exactly as do the voters for their party at elections. In both cases, intelligence is sacrificed to the party. Under such a system as this, which forces the elector as well as the representative to smother his own intelligence, how can anyone expect intelligent government?

Cabinet Government

Party discipline is the means by which the Cabinet works its own will. The Cabinet is the government. The rules and practices of Parliament safeguard the supremacy of the Cabinet at every point. The Cabinet arranges treaties with other nations and signs them, while Parliament, perhaps months later, goes through the perfunctory performance of ratifying them.

The Cabinet drafts all legislation to be introduced as government measures. Being government measures, they must go through, or the Government will be defeated. But the government party constitutes a majority in the House, and with such dire consequences involved in each bill as the defeat of the government, the party votes solid. The Cabinet announces its fiscal policy and brings down the estimates of expenditure for the current year. It may happen that many members in the government party have been pledged to support reductions in the tariff and to vote against increases in protection. There

may be no provision for tariff reduction in the budget, indeed there may be tariff increases, still the budget will carry by a solid party vote.

Assuming that the electorate is still watching this performance from the gallery, it will be impressed with the futility of all debate. The budget may be discussed for a month. Day after day a number of alterations will be suggested to the Government, but no attention whatever is given to these suggestions except when they are obviously bad or impracticable, in which case spokesmen for the Government will speak strongly and at length against adopting them. But, if a wise suggestion is made, the Government carefully ignores it. When all arguments on both sides have been exhausted, when the opposition has completed its alleged constitutional function of constructively criticising government policy, the budget passes just as it was when introduced. Arguments, no matter how wise, brilliant and constructive, are wasted effort in Parliament. The wit and wisdom of all contributors to the debate are embalmed in Hansard at a big expense to the nation, and are finally laid to rest in the royal tomb of political dreams. The Cabinet, whether endowed with wisdom or not, does what it likes. Private members may talk freely on all subjects, but are not permitted to do anything. Private members are prevented effectively from accepting or discharging their responsibilities to their constituents. This is democracy as practised in Parliament.

Consideration of how Parliament examines annually the estimated expenditure may serve to reveal

in the briefest and clearest way the helplessness of the private members, the complete domination of the House by the Cabinet, as well as to show the lack of efficient business methods. It is 8.30 o'clock on a hot, stuffy evening in June. The House is in Committee of the Whole, dealing with estimates. Our electorate have again dropped in to the galleries to see and hear partyism at work. The Minister of Public Works is doing his best to get his estimates through with the least effort consistent with the greatest possible despatch.

This is hay-day in the sunshine of opportunity for the Opposition. The task of the Opposition as conceived under partyism is to prove that certain expenditures have been made for political purposes and are not at all desirable as matters of public business. They have also to demonstrate extravagance on the part of the Government in respect to every item, if possible. The palpable ignorance of the Minister of all details affords ample scope for the partizan imagination and innuendoes of the skilled political critic, who would at once stop questioning on any item if he had reason to believe that the Minister could answer in such a way as to disarm his insinuations, thus robbing Hansard of political treasures saved against some rainy day.

The Minister is the head of a great department of public business involving the expenditure of many millions of dollars. It is neither desirable nor possible that he should know the details of every item of expenditure. Parliament, however, expects him to know details since he is the only one permitted to

supply it with information. But, of course, it is always disappointed, for the Minister is rarely ever in possession of the required details. In the very nature of things, he is probably the least informed official on matters of detail in the entire department. His deputy, his assistant deputy, the heads of branches, and the engineers, know the details, but he does not. So the whole performance of the Opposition is one of trying to squeeze blood from a stone. When things get too warm for the Minister, his deputy, who is sitting on a chair on the floor of the house in front of the Minister's desk, whispers a few answers which must be as welcome to him as Blucher or night was to the Duke of Wellington at Waterloo.

The chairman of the committee calls the item—\$250,000 for a bridge at Nasesick. No one in Parliament, perhaps not even the Minister himself, ever heard of Nasesick before. It is finally disclosed that this name is attached to a point, say, in the Province of Nova Scotia, and the member for that riding is a back-bencher in the ranks of the Opposition. He can't very well oppose the vote, for although as a member of the Opposition he should oppose it, still it would displease people in his riding if they were deprived of a vote of \$250,000. He, therefore, decides to play possum after he has informed the committee that Nasesick does have existence, and that it is on the map of Nova Scotia and not in India as might have been expected.

With this assurance from one of its own supporters, the Opposition opens its bombardment of questions, each one of which conceals a political noose designed

for the neck of the Minister. How many people live in Nasesick? How did they vote in that town at the last election? Who asked for the bridge? How deep is the river-bed? What is the volume of water and how swiftly does it run? How long is the bridge to be? When is it proposed to begin operations? How are contracts to be let? Could not the bridge be built for half that amount? What is the estimated traffic across the proposed bridge in one year? In ten years? In a hundred years? —and so on, ad nauseam.

The Minister strives in the midst of all this to keep in good humor. At times he answers with a jibe; at others, he makes a speech telling how the Opposition built a similar bridge at some other point when they were in office, and that they gave no more information in connection with it than he is now offering. The Opposition members resent this. They turn up Hansard and quote the best part of the discussion referred to. More questions are hurled at the Minister. The deputy, in desperation, whispers the correct answer in the ear of the Minister, who, in the uproar and his own excitement, does not hear correctly and makes a wrong statement. The Opposition pounces on the error. The Minister does not like to acknowledge his mistake openly. The debate waxes warm. It lasts for two whole days, and finally, at five minutes to eleven o'clock at night, when every one is sick and tired of the whole business, the item passes without a fraction of alteration.

For months, this monotonous farce proceeds. Eventually the Prime Minister announces the date

on which it is expected Parliament will prorogue. There are still estimates amounting to three hundred million dollars to be passed, and only a few days of the session left. Finally the last hour approaches, and the same Parliament, tired, weary, yawning and sleepy, may rush through, without even a question, hundreds of millions of expenditure in an hour, while it may have spent several days haggling over a vote of ten thousand dollars which was passed without change and with little information having been given.

All expenditure of government must come from the pockets of the electorate. It is the business of a member to judge every proposed expenditure as it may effect public interests and to assure himself that every dollar of outlay will result in a dollar's worth of service to the nation. Without accurate information, the private member is not in a position to pass judgment, and there is no way at present of acquiring the detailed knowledge required, since the Ministers are not in possession of it and those who do know are not permitted to speak.

The engineers, deputies and heads of departments have the information; parliamentary practice, however, does not permit those who have the knowledge to give it; only those who do not have the facts—the Ministers—are allowed to try to explain the proposed expenditure.

A simple remedy for this stupid condition has been suggested frequently by the Farmer group in Parliament. Their proposal was that the estimates of expenditure for the year be referred to the standing

committees of the House for review. The chief advantages to be gained by this suggested procedure would be that, since any person may be brought before a select standing committee to give evidence, the heads of the departments who know all details of expenditure could appear, and thus correct information on every item would be available. Committees could sit simultaneously, and consequently the business of the country could be completed in much less time than is now taken up by considering estimates in committee of the whole; and further, there would be less incentive to make political capital in committees, there being no verbatim report of proceedings. A reform such as this could hardly fail to result in greater efficiency in the enactment of public business. Nevertheless, no step has been taken, so far, to give effect to the proposal. Conservatives and Liberals alike jealously guard every detail of the system which gives to the Cabinet supreme control, and which provides the party in power with a convenient way of escape from the danger of adequate scrutiny of its acts.

No doubt, if the electorate had been in the gallery throughout the entire budget debate, some of them would want to know why some member of Parliament did not move an increase in the estimated amount to be expended on public health, for instance, and others would want to know why reductions were not made in military estimates and others which appeared from the gallery to be too high. These two items are to be found in all budgets, so will serve to illustrate how the private members of Parliament are hedged around

with rules until they are helpless. They are like a splendid watch-dog which is muzzled and left to guard his master's premises, so that, while he can bark and growl, he is unable to bite. Members of Parliament are at liberty to bark all they want to, but the rules of Parliament established under the party system have taken good care that there shall be no biting.

If a private member should rise and move that the amount to be voted for public health or for the blind should be increased, the Speaker would immediately rule the motion out of order. A private member is not allowed to make any motion which involves the expenditure of public money. He may introduce a divorce bill, for that only involves human sentiments, little children, broken hearts and broken homes, but to permit a private member to so much as knock at the sacred doors of the Treasury would rouse Cromwell with his praying Ironsides from the grave, and smash the Constitution beyond repair. On the other hand, a private member may move for a reduction of an amount mentioned in connection with any item in the estimates. But again he is met with a parliamentary practice which kills his motion at birth, for it is a custom which would be more honored in the breach than in the observance that to reduce a vote of money by any amount against the wish of the almighty Cabinet, is equivalent to a defeat of the Government.

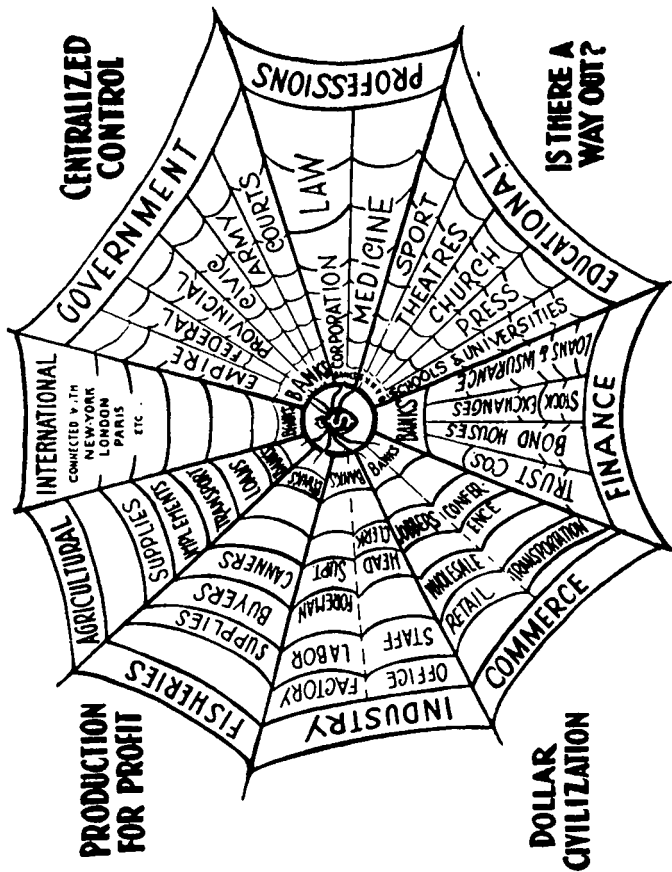
Here is the absurdity of the whole proceedings which occupy so much time and increase so enormously the expense of government. Since not one

single estimate may be increased or reduced by Parliament, what is the use of considering them at all? No use whatever; the whole show is too idiotic even to afford that measure of humor which properly belongs to a farce.

Parliament as at present constituted is incapable of deliberating upon any issue whatsoever. The thought which appears to dominate the partisan mind is not "How much can I contribute to this issue?" but "How much political prestige can this issue be made to contribute to my party?" Reflecting upon the actual condition of helplessness to which partyism has reduced the time-honored institution of Parliament, two things are obvious. They are that precautions have been taken in full measure that the supremacy of the Cabinet at all times may be unchallenged and undisturbed, and the means adopted to achieve this was to hedge the members of Parliament around with restrictions and limitations, lest their fidelity to the people they are supposed to represent might at some time exceed their respect for an administration.

Who Governs the Cabinet?

Cabinets are supreme in Parliament. but their supremacy ends at the door of the assembly. They are not rulers of their own council, nor in the formulation of policy. They are pawns on the board of the invisible government, by which is meant the social and economic forces and circumstances, national and international, which will not submit to being adjusted to policy. As the invisible government



in the above sense is dealt with in another chapter, I choose to explain here that invisible government which is more potent with most cabinets than the forces which man must recognize but cannot alter. People have felt in a vague way that powerful financial men have more influence over governments than any individual or group of individuals should have as citizens in a democracy. Let a Western farmer make a request that the duty be removed from all the necessities of life and the implements of production, and let the President of the Bankers' Association make a request that no alteration be made in the Bank Act during its decennial revision, and see which of the two will receive the greater attention. The bankers, having received long ago all the privileges obtainable, make their requests that nothing which they now enjoy shall be withdrawn; the farmer who never has had a privilege must make his plea for fair dealing. Yet it is the banker who is listened to while the farmer is ignored.

Study the "Spider's Web" chart prepared by J. S. Woodsworth, M.P., and reproduced on the opposite page, and the explanation of why governments obey bankers and ignore farmers will be evident. The vital relation of finance to the economic life of the country, and also how both finance and economics are related to government, are shown more accurately in the chart than words could explain. Financial interests control governments, not, as some think, by paying the election expenses of the parties. No doubt this is done, and no doubt it serves to control governments under ordinary circumstances, but this

is not where the power of finance to control governments is to be found. The strength of the financier is greater and vastly more significant than any election fund, however large, could provide. The power wielded by banks, and the mortgage and insurance companies, is economic power. They obtain this through controlling finance, for he who controls the purse controls the economic life of the state as well as of the individual.

There are things which financiers may do, or threaten to do, which would be very much more effective in compelling the Cabinet to act in a certain way or not to act in some other way, than by withdrawing support from the campaign funds of the party in office. Not a single industry of the country, not even the government itself, can be carried on without ample use of financial credit. Having control of credit, financiers control industry and business. They can actually create poverty or plenty at will, and can, if they wish, so restrict credit that the consumers' purchasing power would dwindle to a fraction of the amount requisite to maintain modern standards of living. Scarcity of purchasing power does not stop with the restriction of consumers, for when they cannot buy merchants cannot sell; business languishes and industrial production is halted; unemployment spreads alarmingly and bankruptcy is frequent; the morale of the people is lowered, and acute dissatisfaction springs up. It is under conditions like these that the government of the day would be inevitably defeated, and the bankers have the power to go this length if necessary.

But the financiers have many strings to their bow. A government would yield long before it became necessary to use the full rigor of economic power. Bankers would probably attain their ends by embarrassing the Minister of Finance in his refunding and bond-issuing operations. A Finance Minister strong enough and wise enough to assert the power of the state over the banks would never find himself in that position, so the banks would in all probability have an easy mark. Or again, directors of banks are found to be directors also of numerous other corporations. They find their way into Parliament and the Senate, and by their influence on business in general, control advertising and thereby control the press. With their tentacles of power extended in all directions, there is no possibility of any government which retains the present system of financial control being able to do otherwise than is desired by bankers. The stern fact is, therefore, that Canada is not governed by the people except in theory. Canada is governed by financial interests lacking both intelligence and human sympathy. Financial interests are not a group of personalities. Finance has no personality; it is a soul-less mechanism to which human personality is enslaved. That is the government of Canada; nor, it may be added, is Canada the only country cursed with such government.

The Senate, or second chamber, is another part of the machinery of the mechanized state. It is a duplicate of the Commons, except that Senators are appointed for life instead of being elected for a specified term as the Commoners are. The Senate is re-

tained as an emergency brake upon the machine. It has power to veto the decision of the Commons. With the Senate, in addition to the power exercised over Cabinets, the financial interests are pretty securely on the throne. There are twenty-seven lawyers in the Senate, of whom twelve are Conservatives and the rest Liberals. Some six Conservative lawyer Senators are directors in fifty-two financial and commercial institutions, while six Liberal lawyer Senators are directors of thirty-six commercial institutions, making a total of twelve lawyers in the Senate who are directors in eighty-eight different concerns. There are eleven journalists, editors and publishers, six of whom are directors in thirty-four commercial and financial institutions. There are eleven manufacturers and capitalists who are directors in a hundred and thirty-one commercial and financial institutions. There are eight doctors who are directors in twenty-two commercial and financial institutions.

These are the spiders who wove the web, and the people are the flies.

These facts should assist in a revision of political thought. We see that instead of political power and control originating amongst the people and extending from them upwards to government, the reverse is the case. Political power is generated by finance and comes down through economic avenues to the Senate, thence to the Cabinet, from the Cabinet to the party system, from the party system to the House of Commons, and finally from the Commons to the people. By the time that political power has passed

through all these stages and finally comes to the farms on the prairies it is too thin to be noticed. This is how Canada is governed. Is this the way the people desire that they should be governed, or is there that element of freedom still left in the spirit of the people which refuses to be governed by things and machinery, and which will assert the authority of human personality over at least the mechanism produced by the genius of man himself?

Same Conditions in Great Britain

Modifications and reforms in the legislative methods at Westminster are long overdue, and eminent members of Parliament in Great Britain are publicly urging it. Lt.-Com. the Hon. J. M. Kenworthy, R.N., M.P., in a suggestive article appearing in "The Sphere" of January 21, 1928, characterizes parliamentary procedure as obsolete, and makes proposals for reforms which he regards as being indispensable if the parliamentary institution itself is to survive. The Parliament at Westminster is congested by innumerable matters of detail of purely local significance and which should not be considered outside the locality immediately concerned. Commander Kenworthy suggests local governments for Scotland, Wales and England to deal with such local affairs, leaving Parliament free to devote itself to larger issues which cannot be dealt with locally, and which concern the nation as a whole.

In this connection he says: "One day a session is given up to 'Scottish Supply.' This allows the estimates of all the Scottish Departments of

Health, Agriculture, Fisheries, Police, Prisons, Local Government, etc., to be discussed. When the Whips can arrange it, they fix on the day when the Derby is being run; but, in any case, very few English Members of Parliament show thir noses inside the House when the Scottish Estimates are under discussion. Would it not be far better if these Estimates were discussed in Edinburgh?"

The graver weaknesses which have developed in the parliamentary system claim most of his attention, and are referred to here in order to indicate that the party system is as bad a misfit in the country of the Mother of Parliaments as it is in countries which adopted the system from her. Says Hon. Mr. Kenworthy:

"We fought a civil war in England in order that Parliament could control taxation and expenditure. Taxation is still controlled, but democratic control of the national Budget, made up of the estimates of the different Departments, is non-existent today.

I have been nearly nine years in Parliament, and I have missed very few Supply days. But I will carry with me the assent of all experienced politicians when I say that, for purposes of checking expenditure and preventing extravagance, Supply days are utterly useless.

If a division is challenged, whether by the Opposition or by members of the governing party, the Government of the day automatically treats it as a question of confidence, and the whips are used ruthlessly. A mischievous tradition has

grown up under which a Government defeat, equally on a Vote of £100 on Supply or an £800 or £1,000 million pound Budget, is taken as a vote of 'no confidence,' and the Government must resign. Any detailed and useful examination, therefore, of the Estimates on the floor of the House is impossible. A great many departmental accounts never come before Parliament at all. When the twenty Supply days are used up—and several days may be taken for one department—the undiscussed Estimates are automatically guillotined at the end of the July sitting. Some departments have not had their Estimates under discussion by Parliament for years.

If Parliament is to regain even a part of its old control over finance, and this is the very key of the democratic system, we must find some means of examining the Estimates while they are being framed.

This system is in operation in France and the United States of America, and might well be adopted here. Estimates Committees, which should be permanent, should be set up for all the large spending Departments and for groups of the smaller Departments. Members appointed to them should be looked upon as non-partisans.

The Estimates Committee should have the power to call before them the permanent officials and to cross-examine them. If necessary, they could sit in camera. Certain of the Defence Estimates, for example, and the Foreign and Colonial Offices as further examples, had far better

be examined in secret. There need be no voting on party lines nor, in fact, any voting at all: and recommendations hostile to the Departments should not be looked upon as necessarily a reflection on the Cabinet of the day and therefore involving the fall of the Government. These committees would be a Godsend to a great many Members of Parliament, who, especially when their own party is in power, have far too little to do. For the extraordinary anomaly is that while Parliament is terribly congested, most Members spend their time in enforced idleness waiting for the division bells to ring."

Estimates Committees Proposed

Such committees as Commander Kenworthy proposes have been urged in the Canadian parliament for years by the agrarian representatives. During the Session of 1928, it appeared as if the government had at last decided to comply with the agrarian request in this respect. The Prime Minister, in debate on a want of confidence motion moved by the opposition, charging extravagance, and having been specifically questioned on the appointment of estimates committees, said: "If we are not voted out of office as a result of this blanket amendment, and if when another session comes around, we still retain the confidence of the House of Commons, one of the first matters to which we will ask the House to give its attention and consideration. will be that of arranging some method by which the estimates may to a greater or less extent be considered by a special

committee or by the standing committees of the House."

This clear-cut pronouncement was gladly and hopefully received by those in the Commons who had been protesting against the inadequate methods of examining estimates now in practice there. The Government of the day was not defeated by the motion before Parliament in the discussion in which the Prime Minister made the definite promise above quoted. The Government also faced another session having the confidence of Parliament, thus affording the Premier an opportunity to take the steps indicated in his quoted declaration.

The briefest way to tell that nothing was done is to quote the resolution which the Prime Minister introduced as a fulfillment of his promise. "That the Select Standing Committee on standing orders be instructed to consider the advisability of amending the standing orders so that certain estimates may be referred to a committee and so that bills reported from a standing or select committee shall be placed on the order paper for third reading after having been sufficiently debated by the house." The motion got no further. The Prime Minister having coupled a form of closure on the discussion of private bills with that of referring the estimates to committees had made it impossible for Parliament to accept the resolution. Those who wanted to have the estimates referred to committees if they had voted for the Prime Minister's motion would have voted also for the closure on private bills. The Prime Minister may not have intended to trick the House in this

manner. But it is not infrequently the case that parliamentarians must vote for several things that they do not want in order to obtain something that they do want. Issues are often joined in this way, so that the popular issue may be used to carry the unpopular one. In this case, the motion stood on the order paper throughout the session and was not called after its first appearance, so Parliament still awaits the reform which the Prime Minister promised to submit for its consideration.

Failure of the Party System

What Mr. Arthur Kitson said of the British political system in a recent lecture at Caxton Hall, Westminster, might be said with equal force of the Canadian system. "The failure of the three political parties to find a solution for the problems of industrial depression and unemployment has produced a feeling of profound disappointment among all intelligent voters, and has led a considerable proportion of the public to regard our General Elections as utterly futile," says Mr. Kitson. He characterizes the party system as "worn-out" and says it fails to "correspond with any suggestion of moral or political principle." "For years prior to the war," he declares, "the distinction between Conservatism and Liberalism was far less a question of belief in principles and determination to pursue them, than of wire-pulling and legislating in favour of certain vested interests. The bankruptcy of British politics is evidenced by the absence of any vital moral and economic issue in every party programme."

Financial Monopoly in Great Britain

Mr. Kitson's most striking utterances are in connection with the power of the financial monopoly over all parties and governments. He says:

"A vast network of intrigue, culminating in certain legislation since the war, has enslaved the people of this and other countries to a conscienceless power, which will result in wars far worse than that from which we recently emerged, and which provided the opportunity for this universal enslavement, by irredeemable debts. During the last half century, a new power has arisen in human affairs and has become economically, politically and socially supreme. This power is money. Britain's real ruler is neither His Majesty, King George V, nor the Prime Minister. Our ruler is the one man who can change our trade and industrial conditions, who can make the country prosperous or bankrupt, who can either boom trade or stagnate it, who can remedy, check or increase unemployment." And that man, according to Mr. Kitson, is Mr. Norman Montague, of the Bank of England.

"For nearly two centuries England's monetary system has been largely dominated by a private trading-company known as the Bank of England, the directors of which have exercised a power which formerly was permitted only to the Monarch. . . . The Bank of England is an international trading-company controlled by twenty-five directors, eight of whom represent American interests and four represent German interests, whilst the Governor General himself is known to be very cosmopolitan.

"It has been openly asserted that no man can occupy the position of Chancellor of the Exchequer without the support or approval of the London bankers. Political parties can only thrive so long as they can secure the necessary funds, and it is to the financiers that each party turns when its exchequer is running low."

This trenchant and comprehensive indictment, by an outstanding Britisher, of the political system of that country, which was adopted by Canada in her early history, should show that the people of Great Britain are becoming aware of the weaknesses of their political system, which the altered conditions in a modern industrialized order have produced. There can be no doubt that Finance in Canada is just as truly the real monarch as it is in Britain. The Dollar is King of modern civilization and to it all the human values are enslaved.

The Power of the Financiers

The failure on the part of governments to solve those modern problems which properly come within the scope of governmental functions, is due chiefly to the domination of one group. That one group is composed of financiers. We shall not question their integrity or their sincerity. It is rather the results of the policy with which we are concerned. For instance, Canadian bankers might have felt very patriotic during the war period, but their financial policy was far from being so. Professor Irving Fisher, in his book "The Money Illusion," describes how the war was financed in all countries: "The credit inflation went on even more rapidly because

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the public, to lend to the government, borrowed the money from the banks. This money or credit currency was not money already in existence, but was newly-created by the banks, simply by writing it in their books.

Commenting on this amazing procedure, Mr. A. G. Crafter, one of the leading students of politics in Canada, says,—“These War and Victory so-called loans to the government were not loans at all. No existing money was advanced. The banks advanced the credit for the bonds out of nothing and then deposited the same bonds as security for themselves. In other words, the whole nation really advanced this credit, but only a privileged few received and still receive interest thereon; with, moreover, the capital sum, which they never advanced, still lying to their credit. The same sort of make-believe loans were common in all countries concerned in the war.”

While it may seem to the bankers that, in financing the war in this way, they did a fine stroke of business for themselves, the opposite will be true in the ultimate. For the National Debt, which now stands to the bankers' credit, cannot, and ought not, to be paid. The very effort of trying to pay will be disastrous, both to the nation and to the banking system. As the bankers use the same methods in the financing of industry, it is crippled, commerce is restricted, and the population is burdened unbearably. When groups other than the financial group secure influence in Parliament, economics will be studied from a new angle, and the problems such as are presented by agriculture and the industrial unemployed will be solved.

Chapter II

The Party System: Its Technique

AS ONE looks down from the top of Sunset Hill into one of the many beauty spots of Blind Man Valley, his attention is arrested by a clump of trees which has for some reason escaped the pioneer's axe. In the centre of the clump, a tree, conspicuous a few years ago for its girth and height, now appears as a discolored blotch of ragged tops against a background of living green. That giant of its time and place is dead. In a few more years, even its withered extremities will disappear—its trunk which once bent so proudly to the Western gale, now dry and crumbling in dust, will snap, and the forest dead will bury its dead. That tree is symbolic of the Party System, which, while dead, and with its roots running deep into the past, still stands erect. The lifeless trunk of the System is given the aspect of life by the parasitic ivy entwining it, and which, without support, would be trodden under the feet of men. And from the same sources which nourished the roots of the now leafless giant there is springing up promising youth in the distinguished family of human institutions.

That is the story of all things. The whole process of life is one of readjustment to incessant change. Were this not so, there would be no meaning to history nor sense in keeping a record which would be the same yesterday, today and forever. It is the passing away of the old and the birth and development of the new which gives value to history and

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zest to life. It is true that the ocean, the earth and the movements of planets appear to have more permanence than a tree or an animal. It is also true that there are certain elements in history more permanent than others; yet this apparent permanence is deceiving, for all alike are subject to eternal change. Institutions which have been built to serve human needs must change as the needs change, or pass away and give place to others as conditions warrant, even though they appear to be lasting since they endure beyond the life-period of the individual contemplating them.

The acceleration in the speed of change is the amazing thing in our day. What is more striking to a farmer than to have witnessed the transition from the ox-cart to locomotive, automobile and aeroplane; or in implements of production to have observed the progress from horse power to tractor, from scythe and cradle to binders and combines? Although changes have been going on in all history, they never took place so rapidly as now. No savage, nomad, barbarian or person of the Middle Ages ever witnessed such drastic changes in modes of work and living in one life-time. Edward A. Kimball, in a lecture delivered in Queen's Hall, London, England, on May 22, 1908, used the following extract from the School Board of Lancaster, Ohio, dated 1828:

"You are welcome to the use of the school-house to debate all proper questions in, but such things as railroads and telegraphs are impossibilities and rank infidelity. There is nothing in the Word of God about them. If God had designed that His

intelligent creatures should travel at the frightful speed of fifteen miles an hour by steam, He would have clearly foretold it through His holy prophets. It is a device of Satan to lead immortal souls down to hell."

Only a century has passed and we find telegraphs and railroads have come, have rendered great service to the world and are now passing away, giving place to telephone and radio, automobile and aeroplane. And should some one announce shortly that thought may be sent across continents without either telegraph, telephone or radio, the modern man would not be surprised, for he is convinced that we are only on the fringe of the possibilities of achievement.

Changes may or may not be for the better. The fact, however, that they have taken place necessitates changes in the lives of the people concerned. The farmer who fails to adjust his vocation to the new methods and implements of production will drop out and others will take his place; a doctor would have scant practice if he adhered to incantations and blood-letting and scorned modern knowledge in medicine, surgery, anaesthetics and hygiene; what chance for a Noble Knight of the Crusades against poison gas, machine-gun fire and exploding shell? Don Quixote tilted with wind-mills, but the poor Crusader who ventures forth in 1930 will not last long enough even to tilt.

Since changes are being forced upon us so rapidly, our ability to adapt ourselves quickly becomes a necessity to survival. A barbarian saw no appreciable difference in matters pertaining to his life during

his life-time; therefore, he did not think of looking for change, but his attitude was rather that change should not be allowed, if by any chance it might be suggested. There are a few people even today who agree with the barbarian in this view as regards politics, but they are not barbarians because the changes which they deplore have civilized them in spite of themselves.

The Influence of Science

The rate of speed at which changes take place today, together with the influence of science, has actually changed the attitude of the civilized world-mind, which is inclined now to be hospitable to new ideas to a greater degree at least than at any other period in history. It may be said that human institutions are more and more being regarded in their true light, namely, as part of a process of continual adjustment. The idea of finality as applied to any system or method employed by mankind in any sphere may almost be said to have been abandoned. Of course, finality cannot be claimed even for the view that there is no finality. Be that as it may, the idea that institutions based on private property, systems of government, etc., are not finished products, fixed and final, but that they are processes in an apparently endless readjustment, has become established. This mental attitude which may be properly regarded as one of the fruits of the Scientific Age is a better augury of the future progress of mankind than any single achievement, such as radio or the conquest of the air. For discoveries and mechanical inventions, important though they are, do not

necessarily improve the lot of mankind generally, while the attitude of mind alluded to might very well be the precursor of an intelligent and humane civilization. The inventive genius of man has hitherto found its highest expression in art, invention and discovery. With the popular mind free from the bondage which self-perpetuating systems impose, it may develop the genius whereby to master and control in the highest interests of all human beings the creatures of man's own handiwork, whether mechanical, governmental or otherwise.

It is the scientific attitude of mind which accounts for the new interest in matters political and economic, and which is characteristic of the early decades of the twentieth century. Up to very recent times, the conception that governments and political parties were merely stages in a process, had occurred to comparatively few. Handcraft succumbed to machine production; tools and methods changed rapidly, implements of defence and war changed over night until the new machines and new inventions were taken as a matter of course. But political parties appeared to be different. Such and such a party was the party to which grandfather belonged, father was an enthusiastic supporter of the same party, and so, since this thing called a party covered that portion of history with which the individual was most familiar, and since party advocates made wonderful speeches about the constitution and the eternal character of party principle, it is not to be wondered at if the un-educated should have attributed an importance and permanence to that institution which

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a more thorough knowledge of history and the forces which make history would not warrant. Science, however, could not be confined to laboratories, to microscopic examination of molecules, atoms and bacteria, nor be content with quiet evenings of telescopic research among the stars. Its spirit somehow got loose and found a dwelling-place in the minds of the common people. Not infrequently this spirit was an unwelcome guest, for with it there came strange forebodings and feelings of unrest. What could be more disquieting than to be possessed of an enquiring spirit, which persists in bombarding the mind with embarrassing questions upon matters hitherto regarded as unquestionable and finally settled? And yet, that is what the spirit of science did and still continues to do until the humblest citizen, although perhaps lacking in the technique required for the simplest experiment in science, has the scientific outlook and attitude and thus approaches the daily task, however menial or otherwise that task may be, with an enquiring mind.

The tendency to question everything and to seek the explanation of anything in its relation to other things is the indirect result of science, and may be regarded as its greatest contribution to mankind. No wonder that those who hold power become incensed when questioned as to their authority. The political system, or to be more specific, the bi-party system which still dominates in Canada, is beginning to be questioned. It is now on the defensive. It must hold its assumed divine rights in the face of a steadily-growing popular enlightenment.

The sharp axe of inquiry is laid at the root of that tree. Being dead, it cannot be made to bring forth good fruit, so why should it be permitted to cumber the ground? If it be true that human institutions are adaptations to many conditions and, as such, must stand or fall as they prove themselves capable of readjustment to conditions that still continue to change, then the two-party system of government has no greater claim to finality than the "Spinning Jenny" had in the process of industrial development. That institutions in general and the party system in particular did originate in response to a definite set of conditions, and that their right to exist depends on how they meet a different set of conditions, are truths so elementary and so obvious that even the narrowest partisan will scarcely attempt to deny them.

Why the Party System?

Party advocates will hardly claim that the party system was of supernatural origin. Clearly, it was a creation of man. So also were the "Spinning Jenny" and the "Rocket," but man did not hesitate to abandon these for other and better human inventions. The party system was a rough, easy and practical way of getting over a difficulty which had arisen, owing to a new economic development. It reflects the ingenuity and the powers of adaptability which man possesses. It met and overcame the difficulty of its time, and has served to bring us to another stage.

The questions to be answered by the student of political institutions are:—Was the party system

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devised to meet a set of conditions similar to that which confronts the political leaders of our time? If so, why are we in trouble? If it was not created with the intent to meet modern conditions, why continue to apply a system which is not working and which cannot be made to work because of the fact that it was not devised to meet the political situation of our time? If it is said in reply to this last question that the party system does work, the obvious answer is that, of course, it does. But for whom does it work, and how does it work? It still works for party men; it still serves the interests of the classes which created it to serve them, namely the landlord and manufacturing or commercial classes. There are, however, other classes which are hoodwinked and exploited by the party system. The agricultural class has the same need to be served and the same right to political services as the manufacturers. The labor class is making similar demands. If it is wise for the manufacturers to have a political party and if it is wise for landlords to have one, then labor, farmer and other classes must have parties too, and then what? Why just two parties? Why not have either one party for all, or every class have a party of its own just as the financial interests have? One or the other must come. Political power can no longer be entrusted to the predatory instincts of one class.

In looking back to the time when the party system took its rise in England there are certain factors of great importance to be noted. The right of domination by the feudal lords, who held power by an

alleged divine right to own the earth, was being challenged by industrialists who had developed steam-power and the machine. Prior to machine production, the owner of the land was in reality the owner of the people who were his serfs. Dependent as the landlord was upon his serfs, not only for his bread and his clothing, etc., but for his armies of defence against his enemies, he had managed to convince the masses that they were dependent upon him. It was not hard for the landlord to make the people believe that he was indispensable to their life since, unless he employed them, they would die of starvation. There was no choice between two or more economic positions so far as the masses of the people were concerned in the days of feudalism. A man might, of course, pass from the domain of one lord to that of another, but his position would not be altered thereby. Under this system there was no real challenge to feudalistic authority.

Gradually, however, industrial centres began to form around the newly-established factories. Craftsmen were drawn from the villages and from the rural parts to throw in their lot with machine production. Towns and cities began to form; people became less dependent on the landlord for employment and for life; the following of the industrial captains grew as great as that of the feudal lords.

The impetus given to trade and commerce by the introduction of machinery resulted in the development of a strong and influential commercial class which, owing its existence to manufacture, gladly gave its allegiance to the new forces, no doubt in the

hope of breaking the yoke of feudal power. Meanwhile the manufacturers were discovering that a purely landlord government, blind to the new possibilities of industrial development, was inimical to their interests, and so came a day when the political forces of the landlords, called the Tory Party, looked across the floor of Parliament at the challenging forces of the manufacturing and commercial class, called the Liberal Party.

It took generations of groping and struggle to evolve these parties. All the elements of passion and prejudice to which humanity is heir may have been expressed in that struggle. Details and incidents do not concern us in a general survey for the purpose of discovering the broad outline of political history. He would be a poor student who is more interested in what Columbus had for his dinner the day prior to the discovery of America than he is in the great discovery itself and what it meant to the world. The great discovery in this case was the bi-party system. Its discoverers were two economic groups—the landlords and the manufacturers. The Tory Party was the political tool of the one economic group, the Liberal party that of the other.

Another phase of the period which gave birth to partyism was the competitive principle which from that time until now has dominated in economics. The idea that one group could be successful without the downfall of the other was inconceivable. To find two political forces equally matched and with equal claims to political power was a new and serious problem. True, nations had had experience with pre-

tenders to the throne. A situation of that kind had usually been cleaned up by one would-be king killing the other would-be king. But this method was not applicable to the two-party system. What was to be done? According to the competitive view of that period, only one party could govern at a time. The question then was, which party was to have the power?

It was finally agreed that the party having a majority in the House of Commons should rule. The masses of the people were then, as now, pawns in the game for political power. From time to time the Tory Party, when in power, extended the franchise to those whom it could trust to vote for it in order than its own term of office might be lengthened. The Liberal Party did the same. The latest extension of the franchise in Great Britain was to permit all women twenty-one years of age to vote—popularly known as the “flapper vote.” The Tory party expected to get the “flapper vote” just because it had been so kind and generous as to give a vote to the flappers. The Conservative party in Canada gave the franchise to all women over twenty-one who had near relatives in the Great War, 1914-1918, thinking rightly that women with brothers and sweethearts on the battle field would vote for a war government on a policy to send more assistance to those already in the line. Now, however, every citizen of twenty-one or over, male or female, has a vote. If the party system continues to function long enough, the next move to get votes will probably be to give the franchise to Indians. After that the children of the

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party in power will be allowed to vote while the children of the Opposition will be disfranchised. Finally, when birth control is adopted, the party then in office will enforce birth control on adherents of the opposite party more rigidly than upon those supporting it. If any or all of these things were done, the party in question would be acting in accordance with its past history. There is no limit to political action when the securing or retaining of power is the aim.

The bi-party system was an invention which overcame the difficulty of deciding which of the two economic groups was to enjoy power. There was no need for a two-party system under feudalism, for there was only one class interested in holding power, namely, the landlords. When a manufacturing class developed as a result of the inauguration of machine production, and wanted political power as a means of furthering its industrial ends, the party system was born. The chief contribution of that system was the constitutional settlement that when there are two parties seeking power, the one having a majority shall rule. This was probably better than the annihilation of each other to the last man in a civil conflict, although there might be room for doubt about that. The fact remains that, in their blind struggle for power, the parties have extended the franchise—the constitutional means to power—to all the people, so that without a revolution and with an intelligent use of the ballot, the people may take the power from both parties.

The most important fact to be noted in connection with the beginning of the party system is that econo-

mic interests were responsible for the coming of both parties. The Tory Party was an intelligent response on the part of landlords to a condition which threatened their economic life. The Liberal Party was a similar response on the part of manufacturers and commercialists for an identical reason. The political conflict for power which was begun as a result of industrial development, was real. There were no sham battles in the early history of partyism, such as have been witnessed in Canada since shortly after Confederation. Political battles in our day may be real enough to political leaders who enjoy holding office, but their masters are no longer divided. It is now a fight as to which party shall have the honour to do the same thing for a common master. It is a competition between political leaders as to which shall wear the gold-braided insignia of power. There is absolutely no economic significance to be attached to Tory and Liberal parties to-day beyond the fact that they are both tools of the same economic power. They are merely parts of the technique of a "divide and rule" philosophy. The parties divide the people while the money kings rule.

The merging of the landlord class with the manufacturing class was a gradual and natural process. When manufacturers became wealthy, they not only bought estates from the landlords and thus became landlords themselves, but the original landlords, attracted by the affluence of manufacturers, invested in industrial enterprises, so that in time the interests of manufacturers and landlords, once in sharp conflict, became one. This being so, it would appear

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that there was no further need for two parties. It would naturally be supposed that one political organization to serve the merged classes would have been sufficient. A closer study of the general situation, both economic and political, will show, however, that there was great need to retain the services of both parties, only in a capacity very different from the original intention.

During the period of real political conflict between two parties financed and controlled by two distinct economic classes, the franchise had been extended widely, but a worse danger than even that was apparent. The economic interests of the laboring classes were forcing organization. Or, in other words, there was a real economic incentive on the part of the masses to use their franchise in their own economic interests. The proletariat were beginning to smell the ham and eggs of political power. It was imperative, therefore, that the governing classes keep two parties. Suspicion would soon develop if only one party existed, and was in power all the time. It would be safer to keep two parties, and allow the people to change them at elections from time to time. The ruling class would thus hold power no matter which of the two parties received the majority vote, and the deluded people would actually suppose that they had got a change of government on each occasion when a change of parties was made. But we are all beginning to see that a change of parties is not a change of government. Moreover, it was found to be easier to rule if the people were divided against themselves. "Divide and rule" was, therefore, a-

adopted as the Golden Rule of the ruling class. Hence the bi-party system, which originally was a means of deciding which of the two economic classes then existent should rule by a majority, has become, through the merging of these two classes, a means of bedeviling the people in whose name they theoretically govern.

Why People Vote for Parties

The real programme of legislation to which both parties are secretly committed is, of course, never mentioned during an election. If the Liberals were to say frankly to the people in their electioneering "we shall not reduce the tariff if we are elected; we cannot give you free trade because our masters have forbidden us," they would not likely be elected, although such frankness would be far more worthy of votes than the slimy pretensions by which they are usually secured. What would happen to the Conservatives party were it to say just as frankly that if elected it will do the same with the tariff as the Liberals have done and are doing?

It may be true that actions speak louder than words, but it would seem that people pay more attention to words of politicians than to actions of governments. Take an example of this inability to hear the voice of action. During the last forty years the Liberal party has been in office some twenty-one years. It is in office now. It has always been elected on a low-tariff or free trade platform against the Conservative high tariff for protection programme. And yet, during that forty-year period, the Liberals

have altered the tariff four-fifths of one per cent more than the Conservatives. Is it conceivable that the Canadian people would have returned that party time after time if they had been told that less than one per cent of the promises would be kept to the people and over ninety-nine per cent obedience given to the financial interests?

Here is another and more recent example of words being more potent than actions. The Liberal party convention at which the present leader was chosen passed the following resolution:—

“The protective tariff is the most wasteful and costly method ever designed for raising national revenue because for every dollar obtained thereby for the public treasury at least three dollars pass into the pockets of the protected interests, thereby building up a privileged class at the expense of the masses, thus making the rich richer and the poor poorer.”

The National Revenue report for the fiscal year ending March 31, 1929, showed that \$185,000,000 of revenue had been collected through tariffs. According to the Liberal party's own declaration, since that amount was collected by tariffs—“the most wasteful and costly method ever devised”—then \$555,000,000 must have passed into the pockets of private interests, and that \$740,000,000 had to be collected from the people in order that a paltry \$185,000,000 might trickle into the Treasury. If the people gave any attention to action, this alone would kill the Liberal party. The voice of that party will, no doubt, be lifted high at the next election,

reiterating its famous vote-getting promises, and it remains to be seen whether or not the people give the more heed to words or actions.

Since it is by the popular vote that parties obtain power, election programs must be such as will appeal to the people who vote. When the votes have been secured, the programs are promptly forgotten. The electorate lives on the promises and the ruling class gets the legislation. Nothing can be done in this matter so long as the electorate retains an appetite for windy promises and remains blind to its own interests. If the dawn of intelligence ever breaks on the masses of the people, the party system will end instantaneously. If it were generally understood that political policy is used by party leaders in elections exactly as a mariner uses a star in the heavens, not very much harm would be done. The mariner takes his bearings by the star and shapes a course to the desired port, but he never thinks of reaching up to pluck the star from the zodiac and use it for a watch-charm. Free trade has been the star which has guided many governments to the desired port of office, but it still twinkles in the firmament of Liberal propaganda and will be there long after the party vessel navigating by it has foundered in the rising waves of public disgust. The fools who expected to get a present of that star in recognition for their services to the Liberal party will have to comfort themselves as best they can. Of course, there is no objection to their continuing to vote for the star so long as the promise of it is of greater concern to them than its possession.

A Moon of Cheese

With all his faults, the politician is not entirely to blame for the absurd promises for which people vote. Suppose, for instance, that a candidate seeks election in a community which is known to be very fond of cheese. Honestly wishing to please the electors for the moment at least, and to get their vote, he sees that his platform must be made of cheese. His immediate object is to "get in." It may have cost him much time and money to become a candidate. He can't afford to lose. So he baits his line with cheese. "Ladies and Gentlemen," he says—"I have discovered that the moon is made of a very fine quality of cheese, and is the largest single lump of cheese ever known to exist. There is enough cheese in the moon to give all the people in the world all the cheese they want for four hundred billion years. Now you all need cheese. I look into your faces and read cheese; I hear the cries of your children hungry for cheese; and, fellow citizens, the way to get cheese is to vote for me."

The result of that speech is that he is elected by a large majority. Those who laughed at the absurdity are put down as hopeless partisans. The elected member goes to Parliament, and returns for re-election in four years. He appears on the same platform and begins to answer the question, "Where is our cheese?"

"Ah! my friends," he replies, "I have fought hard for that cheese, and I am glad of the question you have put, for it gives me an opportunity to explain.

You know, of course, that it is 90,000,000 miles to the moon"—(The audience gasp; they never thought of that)—"and it will take time and effort to get there. Nevertheless I have not been forgetful or idle. I have succeeded in getting the government which I support to begin building a Jacob's ladder. We have got it ten feet from the ground. Also, I have had a special carving knife made in Germany so that when the ladder is completed there will be no delay in carving the cheese. So you see that we have begun to reach the moon and its vast resources of cheese—we are going in the right direction."

Whereupon the people who voted applaud. Even those of them who now see the absurdity, vote for the candidate again, because other candidates are equally absurd, and also because they do not wish to acknowledge their own gullibility. Now, carving cheese out of the moon and building a Jacob's ladder in order to reach the moon are more obviously absurd than the average party platform, otherwise that analogy is perfect. The excuse offered for not reaching a moon of cheese is almost in identical words the excuse offered by certain politicians for having failed to establish free trade in Canada. But, in the case supposed, the candidate was no more to blame for promising the impossible than were the people for being so hopelessly ignorant as to expect him to accomplish it. There is no difference in principle between the imaginary politician who promised the moon and made a gesture at fulfilling it, and the party politicians of Canadian history. In the light of party history, the conclusion cannot be escaped

that either the platforms voted for in the past were as impossible as getting the moon, or else the parties elected have been false to the trust imposed in them, or both. The fact is that the promises are unfulfilled. A wise people will neither repeat the folly of voting for the impossible, nor return to power the parties which, when given the opportunity, have repeatedly failed to do that which they again promise to do if votes are forthcoming on another occasion.

Political Promises

Politicians deserve censure for making loose promises which they know cannot be fulfilled. But they should be complimented rather than blamed for not having fulfilled most of them. All political promises may properly be regarded as implying either ignorance or dishonesty on the part of the candidate or ignorance on the part of the people. When a candidate makes sincere promises at the next election, his constituents, if people of average intelligence, should know at once that he is too ignorant to be trusted; if he makes promises insincerely they will feel insulted by his under-estimation of their intelligence. To conceive policies and legislative measures in an abstract way, to express them because they are regarded by the individual as for the common good and thus worthy of discussion as probabilities, is one thing; to promise to implement them in return for votes is quite another matter. The sincerity of the one who makes such promises may not be at fault, but if not, then knowledge is sadly lacking.

Government can no more be carried on strictly in accordance with the will of the people as expressed

at election times, or as a Cabinet might desire, or as a Prime Minister might honestly want to do, than a good crop can be produced by the will of a capable and well-intentioned farmer. The farmer may cultivate his land efficiently, put in the best seed at the proper time and comply fully with all the practices of a qualified agriculturist, but he cannot make it rain, he cannot stop the hail-storm, he does not know how to prevent frost. Indeed, there are many things standing between him and a good crop which as yet he does not know how to control. The harvest may not do credit to the farmer's sincere intentions or to his skill. Similarly, uncontrollable circumstances, national and international, may upset the best intentions of any administration. The "invisible government" has at least as much to do with political policy and the character of legislation as any visible government has. By invisible government is not necessarily meant some financial potentate who sits behind the curtains with a club. That may happen, too, and probably does under the party system. If a rich man has financed the political machine, he will doubtless control it. The way to overcome that invisible power is for the people to pay their own election bills. If they will not do so, they have no grounds for a quarrel with the man who does. He gets what he pays for. But the real "invisible government" includes conditions and circumstances which cannot be ignored by anyone, not even by our financial potentate behind the curtain with his big stick. Take as an example the vexed question of tariff or free trade in Canada. Our government could declare free trade

with the world by Order-in-Council so far as imports are concerned, and have it operative within twenty-four hours, in the same way that a person can commit suicide—if he will take the consequences. Free trade as an abstract proposition is desirable, but if applied in Canada, it would probably wreck Confederation, and no government is prepared to take that consequence. Suppose, however, that we decide to let the Confederation be wrecked, still we cannot have free trade unless all the other nations decide to allow us. Free trade properly means that we ship our goods to the other countries duty-free and in return other countries will have free access to our markets. Therefore, free trade is not a national but an international policy, and when a Prime Minister, or would-be Prime Minister, promises free trade as an election cry, he should first have consulted with all other countries involved in such a policy. If this is not done, his promise will be the only thing forthcoming. In short, economic conditions, national, and international, are the most potent factors in shaping political policy. By the same token, the economic class which controls political parties has much more to do with the legislation put upon the statute books than have the people who voted the party into power.

Good and honest politicians sometimes make promises without realizing the invisible powers. A party politician's first duty is to his party. His party's first duty is to the financial interests which pay its expenses and control the economic life of the state. A person may not fully appreciate what this

means until he has some experience in Parliament; but once there, he will find that his fine promises rise up to mock him. They are thrown at him like rotten eggs by his political opponents; he finds that in doing duty to his party he must vote against his own conscience and his own constituency and then, worst of all, relinquish responsibility, and finally must defend his actions in the light of his own reason and in opposition to his own avowed policy and that of his party. Even in cases where a party government makes a sincere effort to implement its promises, the real thing produced looks so unlike what was promised that nobody is able to recognize it—and this because of the invisible government.

It would require a complete knowledge of every detail of every ramification of an act and also a knowledge of the willingness of the spokesmen of all economic factors implied to agree to the specifications of the act, before a promise could be made in safety. As no man is or probably ever will be in possession of such knowledge beforehand, specific political promises are a delusion and a snare. The proper and honest attitude of a candidate for parliamentary representation should be that he offers himself as a representative of the people whose franchise he seeks, and that in all matters in which their interests are concerned, he will endeavor to act as he conceives they would act if they were all there in person, and to consult them from time to time on all major issues. His responsibility is to interpret the opinions of his electorate and to represent them in all matters which come before Parliament.

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Party government is not representative but misrepresentative, or it might be said to represent the interests which own and finance it, and to misrepresent the interests of the people in whose name it assumes power. When the Tory Party of the landlords and the Liberal Party of the manufacturers were first known, there was not any doubt about whom or what these parties represented. All the people who depended on the landlords for the right to work for a living supported the Tory party because their interests were indirectly concerned. For the same reason, all who were employed in the factories supported the Liberal party. The issue was clear-cut. It was a fight for political domination between the two economic classes. The Liberal party succeeded in checking the power of the landlord class and in establishing the supremacy of the newly-rich manufacturers. In the process of the industrial development which followed, the landlords saved what they could from the wreck of their ambitions by merging with the industrialist captains and thereby creating one plutocratic class. This class, for tactical reasons, retains in its service both the old historic parties.

Campaign Funds

Recent revelations resulting from investigations into party campaign funds will be sufficient to prove the corruption of political parties by privilege hunters, even were there no other evidences. It was shown by the Customs investigation that the liquor interests had contributed heavily to the funds of both

parties. A more recent occurrence in Manitoba gives a still more striking proof. In connection with the Seven Sisters Falls power site, the subsidiary of the Winnipeg Electric Company was shown to have made contributions to the funds of all three parties, Conservative, Liberal and Progressive. That the last party was involved in a transaction of this kind, goes to prove that the party system cannot be improved by the creation of a new party on the same lines as the old. It requires money to maintain a party organization and to contest elections. If the people themselves do not pay the party's expenses, then the money required must be either stolen from the treasury or obtained from the wealthy class, which is usually glad of the opportunity to purchase political power so cheaply.

The Company which was concerned in securing control of power sites in Manitoba did not risk the success of its ambitions on gifts to campaign funds alone. It succeeded in getting certain Cabinet Ministers and members of the Legislature to buy stock in the Company. To get control of such valuable power sites, it would have been worth while to any company to have donated shares of stock to every member of the Legislature, had such action been necessary to the attainment of its ends, in which circumstances the Company would have been the Government, regardless of the fact that the people of Manitoba had voted the Legislature to office under the delusion that it was a people's government. The hard fact in this connection is that, no matter what happens to the Bracken Government in Manitoba, the valuable water powers of the Province, which belonged to all

the people, have become the private property of one corporation. That corporation, like all others of its kind, is soul-less. The Prime Minister may now gather up the pieces of his Government. Whether or not he succeeds in retaining office does not now concern the Company at all. It has got away with the goods which belonged to the public, and has an equal hold on all three parties.

It is not necessary to rely upon the few clumsy incidents in connection with which investigations have shown that financial interests support both parties, in order to prove that the economic interests of the wealthy dictate political policy. The whole history of government in Canada shows that. Parties have changed numerous times, but policy has never changed. Both parties have sought and received the franchise of the people on vastly different policies. Neither paid the slightest attention to these policies after obtaining office, both parties carrying out the same policy precisely. That policy was and is that of one and the same plutocratic class. That policy has alienated the public domain, subsidized private interests from the public treasury; built up monopolies, through tariffs, at the expense of the consumers, burdened the nation with a debt-creating finance system which must always keep the masses in debt to the few, and removed taxation from the wealthy while increasing it upon the poor. Russia had a Czar and a Lenin, Italy has a Mussolini, and Spain a General Primo di Rivera. Each of these dictators was at least a human personality and each of them took the personal risks which the office imposed. Our dictator is a soul-less, stupid and cowardly plutocracy.

There is something noble and inspiring about a Lenin who openly bares his breast to the spear-thrusts of his enemies, who breaks the yoke of a long-established oppression and then gives his life by inches to a great ideal of social justice; Mussolini, too, at the head of his "black shirts," willing to kill and be killed if necessary for the sake of the task he had set for himself in the name of Italy, is a model of courage at least, and subsequent history may show that he is more than that. But this impersonal plutocratic machinized invisibility to which Canada is a slave appeals neither to the imagination nor to the heart. It risks nothing. With a serpentine wisdom it continues to keep the people in conflict among themselves while the spoils of victory pour incessantly into its coffers. It dictates just as emphatically as Mussolini, but its orders come through the mouths of those who have been elected by the people to be their servants. By the right of having a majority, the party in office takes it for granted that it thereby has the right to ignore the people and obey wealth. Governments may come or governments may go, it is all one to plutocracy. So long as we have the two-party system, the government under which every party is elected will be in the plutocratic interests. The Mephistophelian shrewdness exemplified by plutocracy has entirely baffled the electorate in the mass. It would almost appear as if under the party system every voter were at the mercy of the wealthy class, that he is paid in poverty for his services and appears to be so well satisfied that he votes at the next election for an increase in his wages. And yet, something must be said for the voter. It is altogether

likely that if the voter knew that his choice in voting did not lie between Liberals and Conservatives but rather as between himself and the monied interests he would vote for himself. Wealth, however, is too cowardly to claim openly the power which it exercises under a false name, and the voter is left in the dark. Then it must be said further by way of apology for the voters in the monotonous repetition of their follies that, unless all were students of history, they would hardly see through the plot of their political masters.

The History of the Voting Public

The situation is something like this: A young man whom we shall call Robert Stinton is about to cast his first vote. Not yet very much interested in social affairs, he suddenly discovers that, since his twenty-first birthday, he has become a subject of unusual interest to certain political leaders in his community. An election has been called. The whole country is in an uproar. Robert tries to think what it is all about. He goes to a meeting of the Conservative party and hears the Liberals denounced as "double-crossers," as "incapable and extravagant plunderers of the public treasury," and from the innuendos freely cast upon them Robert concludes that the Liberals must be a sort of Jesse James Society from which the country has to be saved. His father is a Conservative, and warns him not to attend the Liberal meeting on the following night. This warning serves as an incentive for Robert to go to the Liberal meeting, he not having thought of doing so until his father suggested that he should not. He sneaks

into the public hall where the Liberal is holding forth and learns that the Conservative party has never fulfilled a promise, that it has betrayed the people's trust and oppressed them on every occasion; that it is "corrupt and unworthy of confidence," and that the only way to save the nation from this organized group of "flag-waving bandits" is to vote for the Liberal party.

Robert is dazed. He now has a choice as to which he will support. He goes to sleep that night at a late hour. He is worrying about it all. He is undecided as to whether he shall join the "Jesse James Society" or the "Flag-Waving Bandits." Next morning he talks to his father and confesses about going to the Liberal meeting. His father smiles knowingly, and informs him that the Liberals are not to be believed, that this is an election and politicians are expected to tell lies about each other, that while the Conservative party is no doubt bad, the Liberal party is most certainly worse, and that the thing to do is to study the platforms of both parties, but be sure to vote Conservative.

As the campaign proceeds, Robert begins to enter into the spirit of it. He has almost decided to vote for the Conservative party—the party of his forefathers. If he entertained any serious doubts about the matter, these are scattered by two incidents which occur in the third week of the campaign. One is a leaflet which was delivered at the house, and on which is printed in large letters at the top, "VOTE FOR THE CONSERVATIVES AND A FULL DINNER-PAIL." Robert does not read any more

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of what is written in small type in the leaflet. He has no time. He is in a hurry getting dressed for a dance, but he has thought that a full dinner-pail is just what all the people he knows need most.

Two days later the finishing touches are put on Robert's decision. He is invited to attend a ball put on by the Young Conservative Association. He is overjoyed. He likes dancing, but that is not all. The ball is to be held in the "King's Hotel," that is, the best hotel in the city. Robert has never been at anything there. He has fixed the pipes as a plumber, and seen the spacious and magnificent dining room as he passed with his tool bag, but never dined or danced there. Robert goes to the ball. He enjoys the orchestra, he dances with the girls, who would not have recognized him in the street up to that moment, the refreshments are ripping and, best of all, it costs him nothing.

Just when the refreshments are being served, the Conservative candidate appears. He is greeted with rousing cheers. He bows, smiles sweetly and tells them that he wants them to take part in the great victory on election day. Each one can do something—drive a car, nurse a baby while its mother goes to vote, or be a scrutineer. When the candidate sits down, a committee is appointed. The names of all present are taken, and each one pledged to chase out votes for the party. Thus it was that Robert became a Tory. That was his graduating class. From that moment he howled louder and cursed the Liberals more vehemently than any one else. He boasted to a young Liberal that the Liberal party had had no

dance. He was told that the Liberal party was no flapper-catcher; it distributed real beer to its supporters.

Robert's party was beaten in the election. Before the next election Robert had got married and was father to a little Robert. Times were hard. He had been out of employment for weeks at a time. He blamed the Liberals. Another election came, the Liberals won again, and Robert was furious. The people had turned down a "full dinner-pail" for two successive elections.

Finally, at the next election, the Conservatives were victorious. Robert got drunk in celebration of the long-expected "full dinner-pail." Weeks, months and even years went by and he saw no improvement. Another election came and Robert was now in quest of reasons why the pail had not been filled. The member seeking re-election informed him that the preceding Government had left things in such a mess for the Conservatives that they had been kept busy to that very moment cleaning up, but that during the next four years, if they were re-elected, the Government would give due attention to the dinner-pail problem.

Robert returned home elated. Now he knew that his confidence in his party had not been misplaced. He was secretly glad that the Conservatives had been elected in time to save the country. If it took them four years to clean up after the Liberal mess, what would have happened had the Liberals been returned for another four years? He closed his eyes and refused to even think of the calamity which would have ensued in such a case.

Four years more and another election. Employment has been intermittent. Robert's dinner-pail has been less full than at any time in his experience. All the Liberals are blaming his party. He is sincerely puzzled. The explanation of the party representative is less assuring to him, but he decides once more to stay with his party. He will be loyal, he will give it another chance. He does, and the Conservatives are once more returned.

By the time that the next election comes around, Robert is dead, but if he were alive he would see little change in the dinner-pail. There was, as usual, just enough in it to keep Robert the Second alive, while he worked to get some more to keep him alive to work some more, etc. But Robert Stinton the elder was dead. Hundreds of thousands of those who voted for the first time when he did are also dead. New voters have been coming on and voting for the first time as Robert did. Half of them have been Liberals and died as Robert did, disappointed and puzzled. The other half were supporters of Robert's party and died just as disappointed as Robert was.

The voting history of Robert Stinton is the voting history of the masses of the people. History means nothing to them. They judge political institutions and issues as they appear at the moment; they have no knowledge outside their own personal experience, and that experience is never long enough in anyone's life to enable a person to complete the meaningless circle around which he is travelling. His children, however, complete the circle for him and start around it again, but have no recognition of the land-marks

passed by their father before them and so ignorantly think they are going somewhere, merely because they are moving. The student of history soon discovers what is taking place. He knows that the young men and women who vote for the first time in our next general election in Canada, will be voting for the same unsettled issues for which their grandfathers voted in the days of Sir John A. Macdonald. So, while the young electors will vote on an issue at the next election, expecting it to be settled by the party elected, the student knows that it will not be settled, because it or a similar issue has been voted on dozens of times before and not settled. He knows further that the issue will be a foolish and impossible one, an issue not designed with a view to being implemented in legislation, but designed expressly to obtain votes.

The True History of Party Achievement

It would be illuminating, if not a successful vote-producer, were the parties to include in their next platforms short historical sketches showing how often they have been elected, what the issue was in each particular election in which each party was victorious, and a reference to the statute which gave legislative force to the platform upon which they were elected in each case. For instance, the Liberal Party was elected to office eight times since Confederation. Suppose that it gave a record of its deeds as an introduction to the literature of its next campaign. If it were a true record, it would read something like the following:

The Liberal party was first elected to power in 1873. The issue was lower tariff with a view to

ultimate free trade; it held power for 4 years. No alteration in the tariff policy resulted. It was elected again in 1896. The issue was still lower tariff, with a view to free trade; it was in office for 5 years: result, tariff unaltered. It was in power again in 1900; the issue was once more tariff reduction with a view to free trade; it held power for 4 years,—result, tariff practically unchanged. Re-elected in 1904, held office 4 years, the tariff still unchanged. Again in 1908 the Liberal party was returned to office on a policy of tariff reduction; it held power another 3 years without results as to low tariffs. In 1921, the Liberals once more came to power; policy, a gradual downward revision of the tariff; it held power until 1925—the result was that the tariff stood as before. In 1925, the Liberals held office by the good will of the Agrarian and Labor members of Parliament. The chief issue of the 1925 election was, as usual, gradual downward revision of the tariff with a view to free trade. This time the party held office for less than one session; the result—a tariff reduction on automobiles, which reduction was forced by the votes of the independent groups upon which the Liberal party had to rely in order to hold office. Then, in 1926, the Liberal party was re-elected. The issue was again tariff reduction, but it asked for return chiefly as a reward for tariff reductions for which credit was alone due to the Independent, Agrarian and Labor groups. However, the Liberal party promised further reductions. That party is still in office. Result—no further reduction of the customs tariffs.

The record of the Conservative party, which has always been elected to raise the tariff, is just as barren of results. If "No alteration of the tariff" had been the policy of both parties, they both would have been true to it when in office. If the records of these parties were known, is it possible that the masses of the people would continue to vote for them? If a man bought a railway ticket and then was prevented by the company from using it, he would not repeat the act; if he ordered and paid for groceries which were not delivered, he would never go back to that store again, unless he went to direct the sheriff to the abode of the delinquent merchant; if his neighbor made many willing promises, but never fulfilled any one of them, the neighbor would no longer be trusted. And yet, this same hardheaded man of practical common-sense will vote for a political party which has betrayed his grandfather, his father and himself. But when he knows as definitely of the dishonesty of political parties as he knows about the merchant who cheated him, he will treat them both alike. Such knowledge can be obtained only from a study of the political history of the country.

On rare occasions, electors are aware of having been betrayed. Sometimes they turn in their righteous rage from the party that betrayed them, and vote for the other party, but since the power which controls the Liberal party is the same one as controls the Conservative party, the indignant voters, even when they change parties, are still voting for their betrayers. At other times, a constituency will turn against its representative. The party to which the representa-

tive belongs is only too willing to sacrifice him to popular wrath. It selects another, perhaps one of the leaders of the insurrection. The community then feels that its grievances have been recognized and that it has been honored. The new representative, in his virgin innocence, enters the political trap which caught his predecessor, and the party system goes on as if nothing had happened, as indeed there had not, for the trouble does not rest with the individual member of Parliament. He is not a rogue, as a rule, although he is spoken of as such by his political party opponents. He too, is the victim of a system. He is no more to be blamed for voting for his party in Parliament than are the people who voted for the party on election day. In point of fact, he is bound to vote for his party, for that is what the electors told him to do when they voted for him. By their votes they endorsed the system that prevents them from having a voice in national affairs. By voting for a party, the people have voted themselves out of the House of Commons.

Party Organization

It is only by a very liberal use of the word organization that it can be applied to political parties. Their organization is of the loosest kind. As a means of expressing the will of the people in an intelligent way, it must be discounted. It not only does not assist people to discharge the responsibilities which the party itself theoretically imposes on them, but it very definitely prevents the acceptance of such responsibility.

Party organization consists of an organizer appointed by the elected members, or perhaps, in most cases, by the leader of the party. This organizer finds an individual in every community, usually those on the patronage list, who can be used as a connecting-link between the party directors and the people. The one single function of party organization is to conduct elections. There is no opportunity afforded in a party organization for thought or its expression so far as the masses are concerned. It works once in four years, or, more specifically, it works only when there is an election. There are no regular meetings of local units, in which matters of public interest may be discussed or from which the opinions of the electorate are placed before the representatives.

Party organization is a vote-getting machine. Shortly before an election the head party man at each poll, commonly known as a "heeler," receives a sum of money from the party funds. He organizes a campaign based on the amount he has been granted. He opens committee rooms, arranges meetings for the candidate, appoints committees to attend to the various polls, arranges for cars on election day to haul the uninterested and lazy voters to the polling booths and attends to all advertising and distribution of literature. The revision of the voters' lists, too, is a very important part of the party machine's work. As many names as possible of people suspected of leaning toward the other party must be struck off the lists, while those of as many others as can be depended upon to vote "right" and as may be got on the list by permission of the returning officer must be added.

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For a certain period prior to every election there is a keen and bitter struggle between the contending parties, during which it not infrequently transpires that qualified citizens are disfranchised and in some strange way dead voters arise from the tomb to cast another vote for their party. It is generally acknowledged, of course, that the party in power prior to the election and, therefore, in control of the appointment of election officers and of the election machinery in general, has a considerable advantage over other parties.

The party machine has thus become notorious. Even party supporters are often disgusted with their own party tactics, and freely admit their demoralizing effect upon the electorate. In spite of a fairly rigid Election Act, so far no limit has yet been found to corrupt party practices, and even those caught in open violation of the Act nearly always escape from the country unpunished, and those who by chance are brought to trial are usually let off on some pretext or another. These party machines run at full blast for about six weeks prior to every election. They work up a false and dangerous antagonism among the citizens; they succeed in befuddling the public mind to such an extent that serious and intelligent thought is almost impossible; they create issues that have no relation whatever to the serious economic or social problems of human life, but which are deliberately selected because of their appeal to popular psychology. Any question which will create suspicion or generate such heat as to prevent thought and around which ancient racial or religious prejudices cling like cobwebs

in a poorly kept room, is always acceptable. The aim is to get votes, never to convey information nor to assist people to reflect calmly and judge issues on their merits.

The party finances, hitherto taken for granted or not thought about at all by the average voter, are becoming more and more a matter of question and scrutiny. If the little streams of party funds which trickle into every constituency during elections could be traced to their original source, everyone would know who governs Canada. Election expenses are the only bills which the working-people have paid for them. Is it not strange that such philanthropy does not arouse suspicion? It might well be true that if the citizens paid their own election bills they would in consequence be more able to pay all their other bills. It is estimated that the parties pay about \$1,500,000 each for a single election, or about \$3,000,000 between them. This would be an average of a little over \$6,000 per candidate per constituency. It is well known that the election bills of one candidate have totalled as high as \$40,000 in certain Eastern ridings. Leading Conservatives in the House of Commons have made strong protests to Hansard against the tendency to increase the cost of elections still further, and Hansard was told emphatically by these gentlemen that if something were not done, Parliament was destined to become very soon a very rich men's club. Hansard made no reply. It remains to be seen whether or not the people of Canada will give ear to that well-intentioned plea.

Can the Party System be Improved?

The difficulties in the way of improving the party system are at least three in number, any one of which is sufficient to discourage the effort to improve it. One difficulty is that the party system does not belong to us—the people—and those who own it neither desire nor permit improvement; another is that if the party system did belong to the people and if they should set about improving it, the improvements required in order to make it function adequately would have to be so fundamental and so drastic, that, when effected, the improved system would no longer be the party system; and still another difficulty and the greatest of the three mentioned is that if it could be improved until it was a perfect party system, it would then be perfectly unsuited to the political requirements of a highly-organized and industrialized civilization.

To speak of improving the party system with a view to making it serve the political needs of the times is analogous to suggesting that horses and wagons should be improved as an adequate system of modern transportation, or that the sickle should be improved to the point of efficiency where it will be capable of harvesting the crop of a modern farmer. The cases are parallel. If a sickle from the days of hand labor cannot be improved so as to reap the extensive crop of machine cultivation, a party system which was created to meet the political needs of a simpler society than ours is equally incapable of being made to serve the requirements of our modern complex industrialized life.

While the party system appeals to the lowest instincts of the race, it must not be held responsible for all the failings and weaknesses to which humanity is heir. Some people will cheat and lie and steal under any system. Those who are endeavoring to build a better political system do not condemn the party system on the grounds of dishonesty or casual inefficiency, due to the actions of individuals associated with it. A new and better political system must be found because the party system, even if it were perfect and the people perfect likewise, could never be made to work satisfactorily unless the wheels of progress could be reversed until we got back to where the party system began. A horse cannot be improved to run as fast and to haul as large a load as a locomotive; a wheelbarrow, even fitted with a rubber tire and ball-bearings and pushed by a perfect man, could never supplant the railways as a transportation system. If we insist on using horses and wheelbarrows instead of railways, we must first alter the world in which we live. An autocratic party machine cannot be improved until it becomes democratic; a political instrument designed to serve one economic class cannot serve all economic classes; a political system which was made for a competitive age and which can exist only by conflict cannot be improved until it becomes co-operative; a political instrument constructed for the purpose of making self-government impossible cannot be improved to become a self-governing system.

There are parts of the party system which will be used, of course, in a modern political system, just

The Party System: Its Technique

as a bolt may be taken from the old wagon and used in the locomotive, but as a system it cannot be taken over and made to work adequately under the new conditions. That was precisely what the Progressive party tried to do. It tried to take over the party system and thought that if it were run by Progressives, partyism would become a progressive system. And so, to change the analogy, the lion and the lamb lay down together, but the poor Progressive lamb was reposing inside of the party lion in very short order. The lion enjoyed the meal, refused to be improved and is now roaring for more "lamb."

It is so hard to improve lions into lambs that the effort is scarcely worth making. We need a new political system as different from partyism as the modern industrialized world is from feudalism. Our intelligence is challenged to produce such a system.

AUTHOR'S NOTE

It may be objected by partizan critics that the history of the Liberal party as given on pages 64-65, is incorrect, in that national scandals and other spicy vote-getters have at times overshadowed the tariff issue. But "low tariff, with a view to free trade," and, in recent years, "revision of the tariff downward," constitute the one feature which has differentiated the Liberal and the Conservative parties since Confederation, and although the Liberal party has held office eight times during that period, its actual accomplishments with respect to tariff reduction are negligible.

Chapter III

Economics and Government

What makes society move from one sort of economic system to another, from one kind of government to another, or from one way of living to another? This question is fundamental if intelligence is to be applied effectively in assisting movement when such is seen to be necessary. If, for example, one desires to help humanity to move from a competitive way of living toward co-operation, how can aid be given unless one knows the nature of the force by which it moves? Lacking this knowledge, some resist approaching changes blindly until destructive revolution—Nature's last resort—cuts a path of blood and destruction through opposing forces, while others, with the best of intentions to further the ends of progress, not infrequently hinder more than they assist.

It seems as if the natural inquisitiveness of man, which he shows toward phenomena in general, is not applied as readily to a study of himself and his kind. If, for instance, a wagon without horses attached and without other visible means of locomotion were to be seen running up a hill, people observing it would go to no end of inconvenience to discover what made that wagon move. The same people, however, know, in a general way, that the human race has moved up a very steep hill from savagery to civilization; they see before their very eyes a mass of farmers beginning to move in organized formation, and laboring people joining unions and grouping into federations, and yet there is no evidence of any particular interest in knowing why people move. Is it

possible that this indifference to what makes people move is accounted for by the presupposition that while a wagon needs something to move it, people are capable of moving of their own volition? Whatever may be the explanation for man's indifference to "the greatest study of mankind," it appears to be the case that the human race is quite as incapable of moving unless something moves it as a wagon would be without means of locomotion.

In sociology, "love and hunger," or the urge of sex attraction for the purpose of propagating the species, and the necessity for food, clothing and shelter, are regarded as the primary forces making for human action in all history. What may be termed secondary forces are also recognized. The secondary forces, however, become directive and dynamic only after the primary desires have been normally satisfied. For instance, when a pioneer is struggling for enough food for his children, utility is more desirable than beauty, but if, after years of labor and economy, he finds himself with a surplus, which is unlikely, he will turn his attention to beautifying his home, to art and literature, and he will wear finer clothing, etc., providing that he has not lost his innate good taste in the economic struggle. The dynamic force or forces accounting for the movements of people in history and their social habits and institutions are still matters for debate. That hunger and love are both to be reckoned with appears to be the truth, although some students attribute history to the hunger force alone, while another school regards sex attraction as fundamental.

The Freudian philosophy is an explanation of society on the basis of sex alone. The Marxian interpretation of history is set forth purely on economic grounds, attributing to the "hunger" force the explanation of all that man has done. The more accurately scientific view is to give due regard to both these primary appetites of mankind, noting also the reflex influence of ideals and intellect. There is a popular philosophy, superstitious in origin, which puts emphasis upon the metaphysical ideal and blindly disregards every economic fact over which the race is stumbling. Needless to say, the authors of this popular philosophy were people who had a surplus of those things of primary importance. The masses responded to this appeal because they were told that moral principle governed the Universe, and that ultimate justice was inevitable. But even this view was made dynamic by the appeal that economic justice would be brought about. In other words, its strength lay in its assurance of bread on the basis of justice, and therefore must be regarded as a superstitious expression of the Marxian principle, for when told to close their eyes and open their mouths and leave the result to an alleged principle of right, the electorate did so because they believed that something worth while would be dropped into their mouths. Their mouths would have been better filled, of course, if they had opened their eyes to the facts, closed their mouths to the promises and voted accordingly! But the point is, that it was the reward of economic well-being which encouraged the masses of the people to cling to the metaphysical view during a long period of history.

The Economic Force

We may disregard the extremists who try to explain all things by an appeal to one single factor or another. No one who knows anything of his own experience, or of history, needs to be convinced of the importance of economics to life, although its importance in relation to political policy is not perhaps as fully understood. The fundamental character of economic conditions is seen very clearly in economic history, particularly as it is reviewed by modern economists. Professor Scott Nearing, in one of his recent books, presents an illuminating outline of economic history. He divides history, from the earliest man to the present day, into five periods,—each period characterized by a distinct variation in economic conditions. The early savage gathered his food as nature provided it. He did not produce anything, he merely picked up what came his way. This period is called “collectional economy.” The next stage, the “nomadic,” represents a marked advance. By this time, man had discovered how to make spears and arrows, with the result that tribes moved from place to place, making their temporary hunting ground wherever game was plentiful. Following this were the beginnings of the cultivation of the soil and the domestication of animals. The nomads began to settle in communities, being able now to produce their food by simple methods of agriculture. This stage is called by some, “settled economy.” Developments from this stage became the foundation of social life; communities and villages grew up around a common centre, and trading began.

The craftsmen exchanged their products and services for the produce from the soil. This is called "town economy." Then came science and machinery. The problem of production was at last solved. Swift means of transportation and communication made the world a unit. The various groups of producers the world over became interdependent. This is called "metropolitan economy," and it presents to us the problems of wealth distribution, of class struggles and international politics which so confuse us at the moment.

Just as the beginning of a nomadic economy compelled early tribes to move from place to place, so did the acquiring of agricultural arts compel them to settle in one place. As soon as they were settled, the whole condition of their lives changed. Permanent dwellings, commercial and social relationships followed as a direct result of an economic innovation which compelled people who once wandered from place to place to remain in one spot. The changes which followed the machine method of production were more drastic and more revolutionary than any other single event recorded in the history of mankind. For this reason it is known as the "Industrial Revolution." It all came about through the invention of machines which did the work and made the things which once were done and made by hand. It is impossible to describe the ramifications of the changes which followed. They affect everything with which man is associated. The very face of the globe is wrinkled all over with mines, docks, railways and extensive agriculture, not to mention the large

modern cities, all of which, with their varied and difficult problems, owe their origin to machinery and steam. Railways, steamships, automobiles, aeroplanes, mail service, daily papers, telegraphs, telephones and radio—all children of the Industrial Revolution,—have obliterated distance, both by transportation and communication, so that the entire world of our day is not any larger than a township was a century ago.

The student of economics must address himself now to questions of world production and world distribution of goods, whereas in the days of handcraft and primitive agriculture, these matters were almost entirely local. The political student, therefore, must look to the economic system by which we live and, unfortunately, for which we live, to find the true interpretation of political systems.

Political Power as an Economic Weapon

“Politics” is a term which has been used to indicate the business of all the people. Government is the term we apply to that institution which attends to the business of all the people. The first business of all the people is to make a living and the second business is to make a life that is worth all the trouble of living. Since making a living is the chief business of all, and since the people’s business is politics, and since politics is the business of government, the connection between economics and government is as vital as it is obvious. Moreover, it requires no argument to show that, as the business of making a living under the “settled economy” of the feudal sys-

tem would be very different from the business of making a living today, so must modern governments be as different from the governments of the feudal period. In other words, governments must be re-organized, reformed and re-shaped to suit the business which they have to do.

Party politicians either ignorantly or for baser reasons endeavor, in theory, to separate economic interests from government. If this could be done, there would be little need for governments. It is conceivable that the time may come when governments as they are known today will pass away, but such a speculation pre-supposes another kind of economic system in which governments would be as superfluous as they are now a necessity. Meanwhile, however, we live in a competitive system. Political power under that system is an advantage of great magnitude. It is the easiest way to obtain profits from the competitive economic system. The struggle for political power reflects truly the competitive system of economics, and those who neglect political power imperil their economic existence.

Industrial Competition

There are certain characteristics of the industrial period which should be noted for the sake of the light which they shed on the point under discussion, and also because they have a direct bearing upon the political situation of the present time. If things had remained as they were, then we would be well advised to leave political organization and government as they were and are and as political parties of the

old school contend they should be left. But since the essential conditions which govern political policy have not remained as they were, it is absurd to attempt to prevent corresponding changes, not only in political policy, but in political organization and governmental technique as well.

The competitive spirit carried over from the lower plane of savagery and highly developed under the new industrial era introduced by machinery is one of the characteristics of industrial development which must be noted. Machine-production led to competition in volume of output and in cheapness instead of in quality, durability and beauty of the article as in the days of handcraft.

Those engaged in directing industrial production for profit discovered that the less they paid in wages and the greater the output the cheaper would be the selling price of the product and at the same time the greater profits through volume of turnover. Almost immediately the human element was sacrificed to the maw of the machine. Since women and little children could feed the steam-driven monsters of production as well as men, and could be hired more cheaply, men were thrown out of employment and women and children were worked to death in the factories. This condition gave rise to rebellion among the working-men who, prior to the advent of the machine, had been masters of their own crafts and fairly independent. They now discovered that the means by which they lived had passed from their control and that the interests of the owner of the machine were not identical with the immediate in-

terests of those hired to work in the factories. In consequence, Labor Guilds' and Unions were formed in an effort to protect the masses of workers who were at the mercy of the employers.

Meanwhile, the employers were in grim struggle among themselves. The markets for manufactured articles in those days were limited, since people had not yet developed the habit of using machines and machine products. There were also geographical limitations of great importance, since neither steamships nor swiftly-running trains traversed the globe. Then there was the market limitation caused by lack of purchasing power, which even the financial genius of 1929 has failed to extend adequately. Competition between manufacturers was, therefore, keen, fostered as it was, on the one hand, by a volume of supply unheard of in days of handcraft, and on the other by a limitation in actual demand.

Competition centered chiefly on reduction in costs of production. To the extent that output could be increased, it was found that overhead charges could be correspondingly reduced, and reduced cost was equal to an increase of profits. This problem invited the genius of the organizer.

The Fact of Functional Groups

In order to increase the volume of production to the maximum, specialization was resorted to. Great establishments were built, each devoted entirely to the production of a single commodity. A factory for cotton, another for boots and another for pins, etc., was found to be the cheapest and most efficient

way of producing any single article. In process of time, production costs, in which starvation wages were a factor, had been reduced to a minimum. Every factory which had survived the competitive struggle of the specialization process was in danger of being wiped out by an over-production of goods in relation to the immediate available demand. What was to be done? The driving force of necessity was the dictator. A Mussolini was not required. Find markets in other countries, exchange the products of the factory for raw materials from other lands, and let the management of every factory producing the same commodity agree on a fixed selling price or merge into one great corporation, securing thereby a monopoly of the commodity concerned, were the commands of necessity. These commands were obeyed. The flag followed commerce and wars followed the flag, while great mergers grew within the national boundary.

Soon, however, the countries from which Great Britain—the original home of the machine—secured her raw materials, began to build factories and utilize their own raw materials in home production. Competition then shifted to a new basis. It became international. The weapons of international trade competition are well known, tariffs and war being the most universally used.

But the specialization fostered during the process of industrial evolution has developed until in modern times it has become a factor of fundamental concern, both international and national. Specialization means, for instance, that Canada grows wheat,

Great Britain manufactures cotton, Germany and the United States produce machinery. If Canada is to obtain the textiles and the machinery and other commodities in which these other countries excel, she must be able to trade her wheat in exchange for their products. So, on the one hand, there is an economic international interdependence forced by industrial specialization, and on the other hand rigid political restrictions in trade, with war always a fearful possibility.

The international situation, which is a clash between the old competitive method and the new economic interdependence, is only part of the problem. There is a similar problem to be solved within the boundaries of each national unit which forms a part of the world economic structure, and it is reasonable to suppose that the international problem will not be solved until the smaller problem of the same nature has been solved within the national life. In other words, the interdependence of the various industrial functions within the individual state must be recognized and adjusted first.

Scrambling for a Share of the National Income

The specialization which followed industrial competition has given us a highly-organized social structure which rests upon a functional basis. Even in Canada, where industrial development is still in its infancy, there are several well-defined economic groups. One group, the largest of all, is engaged in agricultural pursuits, another is engaged in trade and commerce, another in manufacturing, and another

er in finance, while other professional groups specialize in education and other essential services to the community. Now, these groups are in competition with each other—perhaps unconsciously—for the lion's share of the national income, the national income being the total value of the goods produced and services rendered in the Dominion. The share of the national income obtained by each group depends upon its alertness, group solidarity and the intelligent use of group power.

This situation may be made clearer by examples. The average banker or manufacturer has a larger annual income than the average farmer. The banker and the manufacturer, through the development of efficient group organizations, were able to add political power to their advantage against other groups. By political power the bankers secured control over social credit and the right to charge any rate of interest they desired. By political power the manufacturers secured tariff protection against foreign competitors, and thus were in a position to price their own commodities on a basis other than the competitive one. The farmers and the laborers, on the other hand, while numerically stronger, failed to use their group strength. In fact, these groups voted with both hands for the political organization of the bankers and the manufacturers, thus deliberately presenting these groups with the means of obtaining a greater share of the national income than they were entitled to on any basis other than that of "Let him keep who can."

It is not by accident that a manufacturer can put a price on a plough high enough to cover all costs and

leave a margin of profit, while farmers may be forced to take less than cost for eggs, butter, beef and grain. This discrepancy has been brought about by intelligent organized group action on the one hand, and unintelligent, unorganized mass inaction on the other. It stands to reason that the manufacturer obtains a larger share of the national income than a farmer when the manufacturer is in a position to demand a cost-plus price, while the farmer must meekly take what it pleases others to give. Or.—to put the matter more bluntly—the manufacturer must have some of the farmer's wheat, while the farmer must have the manufacturer's plough. The farmer is not in a position to trade with the manufacturer because he cannot say how much wheat he should give in exchange for the plough, so the manufacturer tells the farmer just how much wheat is required to make the trade and the farmer must obey. When the transaction is over, the manufacturer, who decided the basis on which the exchange took place, has secured a larger share of the national income than the farmer has obtained.

The cause of the struggle now in progress among the functional groups within a nation is the desire to secure the largest share of the national income. If farmers could exchange their products with products and services of other groups on a fair basis, there would not be the class-bitterness which undoubtedly exists. Labor also has been defeated in its long-drawn-out effort to barter its labor power fairly for the goods and services required for life. The group which is organized to the highest pitch of efficiency,

the group which influences governments and indeed, in part, is the invisible government, is the group which is satisfied with individualism, monopoly and party government. That group wants things to be left just as they are, because it unwisely thinks that privilege is healthy. Sounder thinking will show that, under modern industrial and social interdependence, it is as unhealthy for one group to have a privilege as it is for an over-fed lazy individual to have an attack of indigestion. When the stomach suffers the whole body suffers; when any essential part of organized society suffers, then the whole body politic is affected. But this organic view of society has not yet been fully recognized. When it is seen that society is an organic unity, competition will cease for the same reason that it began—namely each individual, who originally thought it was of advantage to him, will then find it to his own interest to destroy it.

The Character of Political Instruments Changes According to Economic Need

The object of this brief review of the characteristics of the industrial period, namely, competition, specialization, organization and interdependence, is to bring more clearly into view the organic nature of modern society as well as to suggest the natural conditions that account for it. For lack of a better term, the various parts of society may be termed functions. Agriculture, mining, manufacturing, transportation, distribution, finance, health and educational services are all functions of society. All of these, as well as

others, are essential to the healthy life of society. Some are, of course, more vital than others. Destroy the function of agriculture and society will die in a few months; destroy the function of finance and death to certain groups would be instantaneous; destroy manufacturing and society would die a lingering and painful death. These functions are all necessary; they are interdependent. If the least of them is neglected, ruin will follow; they must be kept going. It is only, however, when we think of society as a whole or think of the function of government that the organic nature of the structure is seen. The individual is scarcely conscious of his relationship to the whole.

The individual knows that his life is linked directly and immediately with the single function which his efforts assist. He may be engaged in farming. He knows that if his crop is good he will be able to obtain all the necessities and some of the comforts of life. Only give him a crop and a market, and his wheat will bring clothing, machinery, transportation, health and education. To him, therefore, wheat is the absorbing interest. He thinks as vaguely about money as the banker does about pigs or the doctor about crop-rotation. This being a fact, the wise thing to do is to recognize it and use the fact to the best possible advantage. The functional interest upon which the very life of the individual depends, perhaps unknown to him, is part of the anatomy of society. That ligament must not be severed. As it is strengthened, the individual will become cognizant of his relationship to all other functions performed in the

same apparently independent way by all the thousands of other individuals with whom he at times has joined in destructive conflict.

It is the business of government to see to it that all the essential functions of society are performed properly and that due regard is given to their interdependence. It is just as essential to the best interests of Canada that a law should guarantee a living wage to those who work in mines and factories as it is that a law should provide a protectionist price for certain articles in the express interest of manufacturers. It is not enough that bankers should have a law giving them control of social credit, while the law, presumed to limit the interest charges made against farmers who must borrow carries no penalty for its violation.

There is no suggestion here that all that is required in order to give equal justice to each group is to pass a law; rather it is desired to make clear that since one group has found access to political power, all groups must seek similar power, or all will perish together. At the present time, the party system tacitly endorsed by the Canadian people is the means by which one group secures control of government to the loss, discomfort and hardship of all the other groups which help to maintain the party system.

The foregoing sketch of economic history should be sufficient to show that definite stages in the structure of society have followed specific developments in the economic process described. All human institutions reflect these economic developments, and government not the least. It is not necessary to go beyond the birth of the British parliamentary system to learn

how profoundly it has been affected by the economic progress of less than two centuries. The Magna Charta and the Bill of Rights were drastic legislative measures in their day, but other modifications less spectacular but not less significant have been gradually taking place, so that Parliament will be compelled by conditions now reflected within its own four walls to enact constitutional reforms which, if not enacted, will prevent its functioning. Attention has been drawn to the competitive system and how it brought about specialization and organization in industry, which in turn led to interdependence. It has been shown that the bi-party system was the natural outcome of the competition which then raged between the two contending forces in the field of economics, the landlords of a defunct feudalism and their serfs, and the rising manufacturing and commercial class and their employees. The conflict between the Tories and Whigs for political power was a fitting sequel to the economic struggle for profit, and the contending political parties were the instruments of the contenders for economic supremacy.

Functional group interdependence is the economic fact of today which has so altered conditions in Parliament that a new form of government cannot be indefinitely delayed. Parliament is no longer an assembly composed of the "ins" and the "outs;" it is, as a matter of fact, made up of representatives of a number of economic groups, which have sent their representatives to Parliament for the same reason that manufacturers and landlords sent theirs at the

time when the bi-party system was formed. These groups are contending for a co-operative system of government which will correspond to the interdependence of our economic life today as the bi-party system did to the competitive system brought about by the industrial revolution, so that those who would oppose co-operative government are really trying to oppose natural law, that natural law in human relationships which decrees that the character and function of political institutions are determined by economic interests. Just as instruments of production have been changed so that those instruments which were serviceable in handicraft days are obsolete and have been replaced by machines, so have the political instruments devised to serve the economic conditions underlying handicraft become obsolete and must be superseded by political instruments fitted to serve the economic conditions underlying modern industrialism.

Chapter IV

The Need for Science in Government

Vital Problems and Hopeless Policies

The economic system upon which civilization is based is gradually ceasing to function efficiently. Governments following practices and precedents designed for other times and other conditions reveal their appalling helplessness in the face of an entirely new situation. Those features of government and of the economic system that in other times were the most advantageous have suddenly and strangely become hindrances, and even dangerous practices. The hitherto unquestioned principles of governments have degenerated into anomalies, and ideal policies have become paradoxical assumptions. A glance at one or two practical problems will suffice to demonstrate the incompetence of institutions that respect traditions more than living issues.

Machinery was invented and harnessed to solar energy to save labor and increase production and bring prosperity, but governments are racking their brains in a vain attempt to invent work as a means of keeping people from starving in the midst of abundance. This constitutes the greatest absurdity of the centuries. Another example of the changes that have come upon us may be seen in the most grave situation that has developed between the conquering and conquered nations of the modern world. Whereas, in days gone by, the conquered nation was able to pay the indemnities of the conquerors in slaves, gold or territory, today Great Britain, France and the United States cannot devise any means by which

Germany can pay her debts, without harming the recipients more to receive than it would Germany to pay. This problem of international politics, together with that of unemployment, may be taken as typical examples of present-day difficulties.

Confronted with these strange contradictions, politicians everywhere are in a very uncomfortable dilemma. Some of them merely ask the question, "What is the world coming to?"

They suggest further restriction of human liberties; others are persuading themselves that the peculiarities of the present economic situation are due to the Great War and that in due time, and especially by letting things alone, everything will return to normalcy, meaning by normalcy that we shall all settle down again to what used to be. This type of politician thinks that economics is like mud in a bucket of water. It has been stirred up, so to speak, by the war, but it is bound to settle if we allow the bucket to stand still. When all the sediment rests quietly on the bottom again—ah! that is normalcy.

Another shade of political opinion, and one which seems to be more general, is that a cure for the unemployment by under-consumption, is to produce more, while in newer countries like Canada an equally idiotic freak is being tried, and that is to pursue a vigorous immigration policy as a means of economic stability, regardless of the fact that people have been leaving Canada for economic reasons faster than others can be brought in at the public expense to take their places. Overlooking also the fact that the hundreds of millions of population in India and

China have not proved to be a solution, nor has industrialized Europe, with its over-population, found prosperity.

The evident sincerity on the part of authorities who pursue such policies as the above only makes their efforts appear the more ludicrous, and bespeak the profound and general ignorance of both the science of economics and the art of government.

There is no subject of modern times to be compared with that of economics in its effect upon the lives of the people, and yet there are few subjects in regard to which ignorance is so abysmal. A merchant finds himself thrown from the summit of a happy boom to the valley of bankruptcy. The very goods upon his shelves will decrease 10% or 12% in a few days until he must either sell them below cost, or not sell them at all; the home economist—the mother—observes with anxiety the rise of prices without any corresponding increase in the income, and reluctantly reduces the standard of living; a worker is forced to go on strike to raise the wages to keep up with the prices, and this results in still further lowering the living standard both to himself and to the community; the employer shuts down the plant as a means of reducing wages and of raising the price of the manufactured goods; willing workers tramp streets in search of work that is not to be found. Each of these is looking at one little part of the same problem and each one of these explains the problem differently and has a different solution, while the government with an ear trained to measure the volume of noise, makes promises to that section of the community

that can count the greatest number of heads. Happily, however, these promises are never fulfilled. They are made to get votes, and having thus served their purpose are forgotten.

Obviously, this haphazard, heedless ignorance cannot continue much longer without crashing to disaster. There are two probabilities and one possibility before all modern governments. The first probability is that government will sit still and attempt no innovation until the system falls to pieces; the second probability is that in frenzied panic some hastily organized government, floated to power on the crest of a revolutionary wave, and holding its leading position by means of force and dictatorship, will try out its ill-conceived and premature theories on a distraught people. Both probabilities will end in disaster which, a thousand years hence may look a very insignificant incident in a process, but for those now living it may mean unspeakable suffering and, to many, death. The possibility still remains to be considered, and although it is only a possibility as opposed to two probabilities, it is not unthinkable that the possibility may win. That possibility is the adoption of the scientific method in matters of government and of economic affairs.

While most governments have encouraged the study of the sciences, or the application of these sciences, in many departments of life, they have remained impervious both to the spirit and method of science themselves. This statement is so clearly evident that space need not be occupied in elaborate proof.

An illustration or two will suffice to indicate the

general attitude of governments to be directly opposite to that of science. For instance, a newly discovered fact will be hailed by a scientist with interest, it will be studied and related to all other facts in the same field of phenomena, and, if previous conclusions have to be altered as a result, they are altered without more ado. Not so with the politician. For him a fact three centuries old is far more respected than one that occurred before his own eyes a few days ago. The fact that unemployment was not a serious problem prior to the machine age is sufficient to give confidence to a party politician that some day things will settle down to their normal condition. The present is never normal with him. He will follow a parliamentary practice with religious zeal, although in view of the changes that have taken place in Parliament, the said practice has become utterly absurd. For him there is no importance to be attached to current social phenomena. If such things exist, he will explain them by the past, and if he cannot explain them by the past, he will argue that they are not there. All evidences to the contrary—the past is the permanent thing to these lovers of the “status quo.” But the best proof that governments have resisted science in its application to political affairs is found in the fact that there is absolutely no provision made for experimentation, nor have governments provided even a reliable source of information with regard to actions that events have compelled other governments to take and which might be studied as experiments.

Not only has there not been much effort made to gather all the facts from experiments which other

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countries have been forced to make, but in Canada there is not available all the data with respect to the economic conditions within our own country. The Bureau of Statistics, under the Dominion Government, although not used perhaps as much as it might be and while its great possibilities are little appreciated, is doing a basic and invaluable work. This institution should be greatly extended and equipped both with money and men sufficient to enable it to perform at least three very important things for the state, namely, to obtain all facts relating to every phase of national life, as well as all facts in relation to the important economic, political and social experiences of other countries; to assist in forming a national policy based on those facts; and to conduct proper experiments with new proposals and policies.

A Sociological Laboratory

The first of these suggestions—that of collecting facts—will be acknowledged by all to be a proper and legitimate work for a Bureau of Statistics to do, but that the Bureau might be expected not only to aid but to give the final word on national policy as well as to conduct experiments, may be considered beyond the scope of this department; or, even worse, to be looked upon as an impossible dream. At any rate, the idea of what might be called a sociological laboratory might be fittingly projected into the discussion of current politics.

It is obvious that the accurate and completed collection of statistics would have to be the basis of

such a laboratory. As to whether or not the Bureau of Statistics could be extended to include the functions of a laboratory, or a new department should be created, is a comparatively unimportant detail.

The words of Francis Bacon might fittingly be quoted as embodying the argument for a sociological laboratory. "It would be an unsound fancy and self-contradicting to expect that things which have never yet been done, can be done except by means which have never yet been tried." It was this discovery which made Bacon the real father of the scientific method. Prior to his inductive method, reasoning was done from the known to the unknown. It might be said that Bacon reversed this process and was instrumental in bringing about that experimentation and inductive reasoning which resulted in modern discovery and which inaugurated the scientific period.

Politics is today where all science was prior to Bacon. Politicians reason—if they reason at all, which might be reasonably doubted in many instances—from the past to the future. The ideas of things that have never been done can only be done by means that have never yet been tried, never so much as flicker in the politician's imagination, and even if it did he would be helpless until the means of reasoning otherwise had been provided, and the chief means of reasoning otherwise is the opportunity to experiment. Are we to have a real science of government? If so, a sociological laboratory is essential.

This suggestion will be looked upon by many as the rankest kind of folly, and even scientific men will

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argue that sociology is not a science in itself and that therefore there can be no practical application of it to the problems of society. This view sounds plausible but is unsound, as even a superficial glance will show.

No one has ever claimed that sociology was an exact science, nor that it had arrived at that stage of development and degree of accuracy which would warrant the assumption of the term science. Nevertheless sociology is in the process of becoming a science, and has as good prospects of becoming one as had biology or similar sciences, at a similar stage in their development. It is also admitted that the field of phenomena which a science of sociology would embrace would be infinitely more complicated than perhaps that of any other science, but this fact is surely all the more reason why an effort should be made to apply scientific methods so far as it is possible to do so.

No one will say that we should enter the most complicated of all subjects blindly; that we should trust to chance entirely in that field where chance prevails, and restrict our scientific methods to that area of phenomena where chance has no chance.

That there is exactness in astronomy in dealing with the phenomena of the heavens and less exactness in dealing with the phenomena of society is no reason for abandoning the effort in the case of the latter. It may be that the chief reason why more is known of the action of planets than of men, is that more study has been given to planets, and the chief reason why more study has been given to planets is that their

course is conceived to be marked by law, while the superstition concerning man's absolute freedom of will has resulted in almost universal belief that it is impossible to find a basis for a science of human action since it is alleged that every man thinks differently, or has the power to act differently from everyone else. If this be true, then science in politics is of course impossible, but the absolute freedom of every individual to do as he likes regardless of all circumstances is an unwarranted assumption based on superstition, and might with equal force be argued about the stars.

The fact is that a much greater degree of accuracy than is now possible could be reached were government policy determined by a national bureau of expert sociologists who not only would be in possession of all the facts available, but who would have experimented with proposals of fundamental importance prior to introducing them for national application. If this were attempted even to a limited degree it is reasonable to suppose that parliamentary laws would not clash with the natural laws that govern the actions of men and nations, as they often do clash today. And even if it should be conceded that an institution of this nature could not be expected to perform such far-reaching exploits all at once, that is no reason why a beginning should not be made in this direction, so that the scientific method might be applied to politico-economic affairs with that degree of authority and accuracy which an ever-expanding knowledge would warrant,

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A bureau, then, or sociological laboratory, should be established by every government. The personnel of this body should be men and women of science, that is, they should all possess that strict impartiality which constitutes the scientific attitude of mind, so that they would collect all the facts, instead of a few with which to bolster up a pre-conceived point of view, as is now done by party politicians. And when all available facts have thus been impartially collected, the facts should be allowed to tell their own story as regards their application to future policy.

If it is argued that it would be impossible to obtain such impartial enquirers in connection with economic matters, will those holding that view explain how it is that men of this high type are found in every branch of science; men who are in search of the truth only, and to find anything else but the truth would mark them as failures in their respective professions? Only let it be known that from now henceforth governments and parliaments will respect facts and truths more highly than prejudice and party policy, and no doubt there will be clean, strong and honest men who will willingly devote themselves to the finding and collecting of the facts and the finding of the truth in the economic as in other fields.

A sociological laboratory, however, would have to go further than the mere collecting of facts. Politicians can arrive at many different policies from the same collection of facts, and after all it is a scientific national policy that we want to discover. Therefore, the sociological laboratory would have

to test their conclusions from the facts on the same principles as those employed in chemistry.

For this purpose, local communities could be set apart as the testing-grounds of certain policies of fundamental importance. The co-operation of such communities could be obtained in order to secure a fair trial of the policy experimented with, by guaranteeing to recompense any loss which might accrue as a direct result of the experiment.

With a real scientific government, including a means of experimentation, progress would keep pace with knowledge, there would be no dislocation during progressive transition, and no catastrophes such as occurred, for instance, in Russia, owing to the practice of her Congress in continuing past policies, even when such policies were productive of more dangerous results than any new policy could ever bring about, no matter how inadequate.

The only intelligent escape from the dilemma is to provide a means for experimenting with every new proposal. This could be done, and if it were done, then certainty would take the place of fear which now paralyses the initiative. No one can blame any administration for refusing to introduce a new policy which for all that is known might end in national disaster. Governments cannot afford to experiment with the instruments of legislation. But with a means of experimenting which would not apply to the nation as a whole, and with a view to discovering exactly the merits or demerits of certain policies, a government would not be working in the dark as now. Without this means we shall keep on

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using old and inadequate methods until they fall to pieces between our hands like the one-horse shay, but with some such means as suggested, governments will be as far advanced always as human knowledge.

Another result of experimenting would be that advocates of new ideas would soon learn the practicability or otherwise of their proposals, and would abandon them immediately if they proved by actual demonstration to be unsound.

Under such a system of deciding national policy, revolution would be impossible, while to continue as nearly all governments are now doing, is to make revolution inevitable, or at the least a highly undesirable alternative to disastrous incompetence.

Chapter V

Economic Interdependence the Basis of Co-operation

The Co-operative Commonwealth may be, as some aver, only a dream. Though pessimists place it in the category of dreams, those who find pleasure in so dreaming need not be discouraged. A dream is the initial stage of all great achievements; it is the stuff out of which the great events of history have been made. The creative imagination first dreams and then builds. Civilization is now in the process of building the dream of a co-operative commonwealth into a reality. The race has more than a passing interest in this greatest of all adventures, for it is becoming more and more evident that if the competitive system is not abandoned and if co-operation is not established, then civilization itself is doomed. To break the wild, savage spirit of competition, to bring the people together into organizations of common interest, to instil into the world-mind the philosophy and idealism of co-operation, and finally to unify the various co-operative groups into a commonwealth, are tasks which will be arduous and long as all great and worthwhile undertakings are. Sooner or later, however, these things will have to be done if for no other reason than that the principle of co-operation has become essential to survival.

The simplest truth is sometimes the greatest truth, and frequently its very simplicity not only obscures it but stands in the way of its being accorded due significance when it is discovered. For instance, one

need go no further than his own home to find a demonstration of that world interdependence without which co-operation could not have suggested itself as advisable, and with which co-operation must inevitably be applied to world economics. Let there be a study of the furniture, the cooking utensils, the food and clothing of the home, and what lesson will be learned? As an approach to the greater study of one branch of sociology, a study of the home in detail might very well be added to the public school curriculum. The modern home with its thousand things from everywhere is a veritable world exhibition in miniature, revealing with clarity and conviction the story of economic interdependence, but we have become so accustomed to the sight and use of all the things considered indispensable to our convenience and comfort that the vast importance of the presence of these things to the problem of world economics frequently escapes attention.

In his book, "The World of Today," Francis Delaisi gives a very graphic and detailed account of how a modern Parisian can use and enjoy the multitude of things which are essential in the routine of home and business life, and, all unconscious of the fact that he is indebted to many countries for his conveniences and comforts, delude himself into believing that he and his sunny France are independent:—

"M. Durand begins his day by washing himself with soap manufactured out of Congo peanuts, and dries himself with a cotton towel from Louisiana. He then proceeds to dress himself. His shirt and collar are made of Russian linen, his coat and trousers

of wool from the Cape or Australia. He puts on a silk tie made from Japanese cocoons and shoes made of leather derived from the hide of an Argentine ox and tanned with a chemical product from Germany.

In his dining-room—adorned with a Dutch side-board, made of wood from Hungarian forests—he will find the table laid with plated metal made of Rio-Tinto copper, tin from the Straits and silver from Australia. He will find a fresh loaf made of wheat which, according to the season of the year, may come from Beauce, from Roumania or from Canada. He will eat eggs, newly arrived from Morocco, a slice of frozen ‘presale’ from the Argentine, and preserved small peas which have seen the California sun; his sweet will be English jam made of French fruit and Cuba sugar, and his excellent coffee will come from Brazil.

“Restored to vigor, he now goes to his work. An electric tram, run on the Thomson-Houston system, takes him to his office. After making a note of the quotations of the Liverpool, London, Amsterdam or Yokohama exchanges, he dictates his correspondence which is written down on an English typewriter and which he signs with an American fountain pen. In his work-shop, ‘Paris articles’ for a Brazilian clientele are being manufactured out of material of many origins, by machinery built in Lorraine, according to German patents and fed with English coal. His instructions are to send them to Rio by the first German steamer that puts in at Cherbourg.

“He then proceeds to his bank to pay in a cheque in guilders from a Dutch client and to buy sterling

to pay for English goods. The bank manager will take the opportunity to point out that his account shows a considerable balance and that oil shares are rising. M. Durand takes the hint but unwilling to place all his eggs in one basket, he gives orders to buy at the same time four Royal Dutch shares and ten of a French company affiliated with Standard Oil.

"Satisfied with a profitable day, he proposes to spend the evening at a show with his wife. She will don her best frock from Paquin, Limited, her pretty fur of blue fox (Siberia), her diamonds from the Cape. Then they will dine in an Italian restaurant and debate whether to go to the Russian Ballet or to a music hall to hear Raquel Meller, and, in the end, they may decide on one of D'Annunzio's plays acted by Ida Rubinstein with designs from Bakst.

"After having supped at a Caucasian cabaret, to the accompaniment of a negro jazz band, they return home. After a day well spent, M. Durand falls asleep under his quilt (made of feathers of Norwegian duck) and dreams that France is decidedly a great country, entirely self-supporting and able to snap her fingers at the whole world."

When we find that most of the countries of the world have contributed some articles of use to the many articles which go to make up the furnishings and necessities of life in a modern home in Canada, it must be kept in mind that other articles have gone from our country in exchange, and are to be found in the homes of the people in all the countries which have assisted in supplying us. This fact, which means that the peoples of all nations are mutually

dependent upon one another, is the most significant of all facts when political policy is being considered, whether national or international.

It is in matters of politics that the greatest anomalies are to be found today. For, while the evolutionary processes of industrialization have resulted in the interdependence noted, political policy both within the individual state and between states is singularly lacking in the recognition of this fact. Confining attention for the moment to internal relations, it will be found that industrial groups within the boundaries of the political state are dependent upon each other in the same way as a nation is dependent upon other nations, and while the national spirit and racial prejudice might be used as an excuse for the continuation of a narrow, individualistic and pre-industrial view of international politics, the same excuse can hardly serve as a defence for the continued practice of competitive politics in Canada in the face of the interdependence of all the functional groups within the Dominion.

The simplest articles in common use in the home or factory, or in transportation, will reveal that many industrial groups were employed in producing them. The study of a kitchen chair would be of vastly more assistance in helping the younger generation to an intelligent view of citizenship than all the partizan propaganda, all the speeches of political leaders, or all the servile uninformed trash of the party press.

In producing a chair, we shall begin with the lumberjacks, who cut down the trees and who rode the logs

down river to the mill; next come the workers in the mill who cut the logs into lumber of various dimensions and planed it for use in the factory; in the furniture factory may be witnessed all the specialized operations necessary in the production of a chair, from the cutting into appropriate lengths of the lumber out of which the chair is made to the last act which finishes it. Then a place in this process must be given to those who made the machinery used in the mill and factory, to the smelters who made the steel out of which the machinery was made, to the miners who dug the ore for the steel, and other miners who dug the coal used in manufacturing steel, and the many thousands employed on the railway system which brought the chair at last to our door. And during all these various operations it must not be overlooked that the farmers were engaged in producing the food for all the groups employed in producing the chair.

These elementary observations are made in order to emphasize what should be too obvious to require special reference, namely, that modern production is a social process involving a sort of unconscious co-operation; or, if it be contended that co-operation can never take place unconsciously, the same objection cannot be raised to group interdependence, and this interdependence is at once the basis of, and the necessity for conscious co-operation. The co-operative commonwealth is, therefore, not so much of a dream as it is the very next logical necessity in the continuing progress of society.

A Common Interest

Interdependence constitutes the common interest without which co-operation, even in the form of a dream, would be impossible. It is a reversal of the natural order to regard co-operation as being of altruistic origin. It is true that when society is re-organized and put upon a co-operative basis, the race will have advanced ethically far beyond its present status, for then the well-being of each will be seen to depend upon the well-being of all. But as things are, and as men are they would not, generally speaking, co-operate if their vital interests were to be threatened thereby. To express the position in commercial terms,—people co-operate because it pays them to do so, and it pays them to do so because they have a common interest, whether they like it or not, in the fact of the interdependence of modern society. That it now pays a man to be ethical, however, is a coincidence of great importance, since, for the first time in human history, man's human instinct of mutuality will not be at variance with the instinct of survival, but both will unite to lift the race to greater heights than have yet been visualized. Society being already interdependent, it remains but to do, consciously and more completely, the thing which, in the natural order of industrial evolution, has come about unconsciously and which is being done incompletely.

The Instinct of Competition

Man has not advanced intellectually and ethically to the extent that he is able to do by his own con-

scious volition what the natural order of events has established in human relationships. It may appear to be strange that the interdependence which is now so clearly and fundamentally the condition of modern industrial progress should have been possible in a system of society which is distinctively and legally competitive. But it is surely more to be marvelled at that a stupid, wasteful and dangerous competition should have persisted in the face of an enforced interdependence; a competition which, in addition, was logically the antithesis of the accepted moral philosophy. And yet, so it is; nations that have become indispensable to each other's economic life will fight to the death for an imaginary advantage; interdependent groups within the national boundary will engender civil strife in an effort to obtain a share of the wealth which, without their mutual efforts, it would have been impossible to create.

The fact that "no man liveth unto himself" has not been sufficient to prevent every one from carrying on as if he could live unto himself; the fact that in the nature of industrial society, one functional group cannot exist without the aid of all the other groups has not been sufficient to prevent dangerous class-conflicts for a share of the things which all together have produced. Perhaps the instinct of combat which developed at a time when scarcity was the natural condition of the race will go a long way in accounting for the slowness of the human mind in adjusting commerce and politics to the economic interdependence of our time. It may be that the psychologist will do service to political economy by

showing that the fears which lead to competition are as baseless as the fear which some people are said to experience on a dark night. This irrational fear may be caused, as certain psychologists suggest, by the circumstances of the moment having aroused latent instincts which were developed in man at a time and under conditions when there was real cause for fear. If persons subject to such fears were to be questioned as to what they were really afraid of, they would be unable to say. They may not believe in ghosts, wild beasts, or the presence of lawless men, they are just afraid of they know not what.

The competitive instinct is no doubt deeply rooted in mankind. It still makes itself felt in the presence of economic interdependence, when there should be no more reason for a person to fight others in order to live than there is for the citizens of London or New York to take clubs to bed with them as a precaution against possible attacks from their neighbors! The parents of the competitive instinct were scarcity and individualism. During the long period in which "Collectional Economy" was in vogue, primitive people gathered the means of their existence wherever a frugal and unassisted Nature, in her caprice, chose to scatter it. There was no supply of manna to make up for shortage, there was never a surplus to be carried over, there were times, all too frequently, no doubt, when there was not enough for the meagre wants of so simple a life. Under conditions so precarious, the actual pain of hunger and the fear of death through ever-present scarcity lashed men into a life-and-death struggle for survival. Thus it was in

the very cradle of the race that the instinct of competition was fostered. The impulse to fight and to kill was then in the highest degree serviceable to the race. What else could have worked so well in preserving and developing the species which multiplied its kind at the behest of blind appetite while its supplies were not extended at the same ratio? In any event, it was on this gory plane of animalism that our ancestors struggled that the species might survive, and there, too, the grim pair—scarcity and individualism—nursed to vigorous life that competitive instinct which now arises under different circumstances to threaten the very existence of the race which at one time it was the chief means of perpetuating.

In addition to the chronic condition of scarcity, individualism, as a natural reflex of the economic struggle, predominated. In primitive existence, the individual did not join with his fellows in any economic pursuit. There was no such thing as social production. Indeed, the more people there were, the keener was the struggle and the less opportunity for the individual. It probably is true, as Prince Kropotkin endeavors to show in "Mutual Aid," that there is more to be reckoned with in life than the Darwinian struggle for survival, and that many species give evidence of a desire for mutual aid which would seem to be the antithesis of the Darwinian view. But the desire toward mutual aid, which probably sprang from the sex instinct, was pretty well checked in the economic struggle. Sympathy, which is the power to feel the pains of others, devel-

oped slowly in an atmosphere of enforced conflict, so that, while nature yielded a scarcity to primitive man, she also equipped him to survive in the midst of it by retarding the development of sympathy which, unduly present, would have interfered with the conflict necessary to survival under a scarcity economy.

The conditions which rendered combativeness an asset have so changed as to make that instinct a liability, but it may be presumed that Nature, being still interested in the species, will not leave man to perish through an artificial scarcity in the midst of abundance. Scarcity and individualism have given way to abundance and collectivism. The intelligence of man, together with collective effort in production and trade, have removed the necessity of want. That want is still experienced by a very large percentage of the race, and is due mainly to overpopulation, and to the fact that the instinct and technique of a pain-and-scarcity economy have so far overcome the intelligence required to survive in an economy of abundance.

It does seem possible that if the race really set itself the task, it could reproduce its kind to such an extent that the entire sources of food supply which the world affords would not be sufficient to feed them all. It is very probably true, as some contend, that the population of the world is already too large for the food-supply in view of the artificial restrictions to both production and distribution. But it seems to be impossible to get people to see any real danger of overpopulation. A farmer will endeavor to adjust his

live stock to the probable fodder supply, not only because the Humane Society will charge him with cruelty to animals if he does not, but because it would be bad economy to do otherwise. When it comes to adjusting the population of a nation or of the world to the available food-supply, then there is no Humane Society to intervene. It is wrongly taken for granted that world supplies are unlimited. In new countries like Canada, rulers pursue vigorously a policy of immigration; in some parts of an already overpopulated Europe, rulers encourage an increase in the birth rate and offer special prizes for triplets. While this is going on, the government is wrestling with a problem of unemployment and encouraging the young people to emigrate and leave room for others, while over all superstition and ignorance prevent any intelligent control of the birth rate. Death by malnutrition and starvation is the natural check, and that is a cruel and inhuman way of keeping the population down to the available food supply. Hundreds of millions are struggling for a mere existence.

When wars were fought with sword and rifle, the desire to increase populations to the maximum was comprehensible. It is beyond understanding why the mad rush for numbers should persist in these days of machine warfare. Great Britain, or any country in Europe, might far better have half the population, wipe out the economic struggle, allow all to be well-fed, to be educated and to be happy, than to have millions struggling on the death-line of economic scarcity.

Whatever truth there may be in the idea of over-population, people will not give heed to it as long as there is evidence that very much more than is now being produced could be produced, and as long as that which is produced is very unfairly distributed. It is not likely that the population problem will be taken seriously until it is seen that maximum production and equitable distribution have failed to rid the world of poverty. It is no doubt true that if modern means of production were properly applied to available resources, poverty could be abolished, provided that the population remained stationary. It is very probable that a greater food supply would reduce the death rate and increase the birth rate, but since it is not the fear of increasing the population that prevents the establishment of a sane economic system, it may be assumed that the age of plenty has arrived and we may proceed to arrange human affairs in accordance with that fact.

Co-operation Essential to Survival

Abundance and interdependence, made possible by machine production, although not yet recognized as such, are the parents of the coming co-operative commonwealth. In other words, nature, in order to gain the same end under conditions which make abundance possible as that which she strove to attain under scarcity, namely, survival, must now perforce alter her methods. Since machine-production affords enough for all, and since all production involves social effort, the competition so inevitable in days of individualism and scarcity has become

impracticable and destructive, and co-operation, the higher, more humane and more intelligent method, must be substituted therefor.

It is true, of course, that what man still desires, as in primitive existence, is self-preservation, or self-realization. But, whereas man could best preserve himself at an earlier stage when scarcity prevailed, by destroying his fellows, he can obtain the best for himself now when abundance is possible through machine production and social effort, only by preserving and protecting his fellows. The instinct of self-preservation still remains as strong as ever, but it must operate henceforth through co-operation. Intelligence and sympathy and not the "tooth and claw" must now become the guardians of the race. In fact, were the competitive methods so necessary in the past persisted in under modern conditions, civilization would be in great danger of being destroyed.

Civil war and international conflict present the most appalling results of competition. These methods are being abandoned and must be completely given up because, if continued, they will defeat the very purpose in the interests of which they were originally employed, which was survival. Nations fight for a gain of some kind which the one that wins expects to get, but since the interdependence which has come about among nations makes the well-being of the defeated nation indispensable to the prosperity of the nation that wins, the nation that wins loses equally with the nation defeated. Thus, victory is a meaningless illusion, and the struggle for it will be abandoned because of its very absurdity, if not for

the reason that the human elements developed under conditions of interdependence will no longer permit the cruelty of bloodshed.

The results of competition are as absurd and destructive in every other field as in the field of war, although not quite so obvious. What is more destructive than the industrial conflicts between interdependent groups within the national life? What is more absurd and hopeless than the competition for power which takes place in our Parliaments among the representatives of people who depend upon each other for all the necessities and comforts of life?

Here we see the folly of another kind of battle, viz., the struggle between present facts and ancient prejudice; a struggle between instinct and intelligence. The mind so far has failed to accept the logic of events. We live in a world which has been forced into co-operation by the great events of history, chief of which was the Industrial Revolution, with its resultant interdependence of groups and nations, while we still think in thought-forms which were cast in an age of scarcity and animalistic individualism.

It is in the political theorizing of party leaders that imprisonment of the mind is most clearly evidenced. It is not uncommon in Canada to hear men of outstanding business ability, who have been directors of large corporations international in character, advocating that we should debar other nations from our markets and become self-supporting. Cases like these illustrate the clash between our thinking and the basic facts of our immediate life. Political thought is far behind the frontier to which economic

conditions have pushed the interdependent nations of the world. Political leaders, made wealthy by social efforts, are individualistic in thought; directors of large commercial corporations gladly accept the advantages which international connections afford, yet take their stand on a political philosophy which would far better befit the stone age than it does our modern life; leaders of parties loudly proclaim the economic unity of the state, yet devote their entire energies to dividing the nation into a perpetual conflict which brings chaos to the country and the cheap honor of power alternately to the political advocates of the system.

The co-operative commonwealth, which is gradually pushing its way into every cranny of our human relationships as the incoming tide fills up the spaces between the pebbles on the beach, cannot ultimately be shut out of any department. There must be co-operation in the economic field, in production and distribution; there must be co-operation in social life; there must be co-operation in national government and in international affairs.

The greatest need of the hour in order to bring about the co-operative commonwealth in its entirety is a mental revolution. Not a revolution which smashes systems with bomb and sword, but one which bursts the fossilized forms of the past from the mind; not a revolution which will spill blood, but one which will spill prejudice; not a revolution which will dethrone kings, but one which will enthrone intelligence. This is the only revolution worth while, and

it will take more than a bewhiskered Bolshevik to start it.

Co-operation in Business

The principle of co-operation is gradually encircling the citadel of political power. In co-operative selling agencies, in co-operative manufacturing, wholesaling, and distributing, the economic field is being penetrated in a quiet and orderly manner. The relation between economics and politics will not be affected indefinitely by the whims of politicians. Forces of the same nature which established a political system of competition for power as a fitting reflex of a competitive system of economics will as surely bring about a co-operative system of government, which will represent the new economics of interdependence and co-operation and which will assist in its establishment.

The lessons of industrial interdependence have not been lost on the people of the world, if political leaders have failed to profit by them. Common interests are being discovered in an ever-widening field of economic endeavor, and co-operation, which is the inevitable method where common interest prevails, is being put into use in place of the old competitive methods which, with all their woe, waste and want, belong to an age that is past. A few more years, and the co-operative movement, having extended into all branches of industry, commerce and banking, will make competition for power in the field of politics appear as the absurdity it really is. In a few generations at the most,

conflicting parties in Parliament will have as much to do with good government as the powdered wig of a judge has to do with justice.

There is no country in the world in which the seeds of co-operation have not been planted, and in every one it is found to be growing, although in some countries, and for perfectly natural reasons, the harvest time is nearer and the prospect more encouraging than in others. Warbasse, in his "Co-operative Democracy," outlined at considerable length and in detail the progress of co-operation in thirty-eight countries of the world. In Great Britain, over five million families belong to co-operative societies. These societies in 1920 distributed goods to the value of over \$1,000,000,000, and distributed among the patrons surplus savings to the amount of \$125,000,000. The Rochdale pioneers surely left a lasting monument to their memory. Belgian co-operatives had 350,000 members in 1919 and did business amounting to 51,000,000 francs, while in 1921 their business had grown to 66,000,000 francs. Their co-operative wholesale had a turnover of 72,000,000 francs in 1922, the insurance society had 132,000 members and the co-operative fire insurance had under its protection 74,000 homes. France had 4,000 co-operative distributing societies in 1920, with a membership of 1,500,000, and with independent banks organized to serve the co-operative societies. In Germany, there were 3,162,000 members of the co-operative society, having 8,066 stores, 19,261 co-operative banking societies, 3,300 societies of agriculture and 2,131 home-building societies. In

Austria, one-third of the entire population belongs to co-operative societies.

Denmark is the greatest example of co-operation, having the highest percentage of co-operators of any country in the world. As to whether or not the very high standard of intelligence of its people is due to co-operation or whether co-operation is due to the high standard of intelligence of its people may be debatable, but that the standard of intelligence is high is not in doubt and that its people, if not rich, are, generally speaking, prosperous and happy must be acknowledged. In 1921, Denmark had 1,792 societies affiliated with its co-operative wholesale societies, and a membership of 335,104. Its turnover for the year was 203,400,000 crowns. In 1922 the Co-operative Bank did business amounting to 13,000,000,000 crowns.

In Russia, under the old regime, co-operation was frowned upon by the Government, but under the Soviet rule, co-operation has developed at a phenomenal rate of speed. By 1919, there were 75,000 co-operative societies, 26,000 of which were composed of consumers, 26,000 of producers, and 23,000 were credit societies comprising a membership of 30,000,000.

In Hungary, Czecho-Slovakia, Iceland, Finland, Norway, Sweden, Holland, Italy, Ukrania, Latvia, Lithuania, Bulgaria, Greece, Poland, Roumania, Jugo-Slavia, Spain, Portugal, the Argentine Republic, Mexico, Australia, New Zealand, South Africa, India, Japan, and China co-operation is as well established as in the countries for which specific data have been given.

Another phase of the co-operative movement which has more than a passing significance is its international developments. Dr. Warbasse, in his lecture to the United Farmers of Canada Convention at Regina in February, 1929, told of the International Co-operative Alliance, composed of 100,000 co-operative societies representing many countries. The membership of these 100,000 societies was 50,000,000. As the person joining a co-operative society is usually the head of a family, Dr. Warbasse estimated that, on the basis of five persons to each family, 250,000,000 would be directly affected by the international alliance. Here is an influence making for world peace that will run deeper and do more than disarmament conferences or Leagues of Nations.

Canada and the United States are lagging behind in co-operative activities. The Wheat Pool has helped to push Canada forward to a somewhat better position in relation to other countries than she held previously, but the comments of Dr. Warbasse, giving reasons why the people of the United States have been slow to organize co-operatively, very fittingly apply to Canada also. He says, in "Co-operative Democracy:" "A new country with limitless opportunities breeds the spirit of individualism. Profit-making business and the eager quest of the dollar dominate the public mind. Each individual hopes to get more than his neighbor in the competitive struggle. In no country has the urge of individual profit-making become so strong and the opportunities so great. In the United States an unsocial individualism is taught. Each boy

believes that he may become President or boss, or something high, to which his fellows are not to attain. Each is exhorted to 'make his way,'— that means to get ahead of the others. He does not want the others to "get ahead" along with him, or his purpose would be defeated. The most influential elements in each community are the 'Board of Trade,' the 'Merchants' Association' and the 'Chamber of Commerce.' These organizations are composed of the prominent citizens. They dominate the schools, the press and the public thought, as well as industries."

Individualism has flourished in Canada for similar reasons. In addition to the circumstances which are conducive to the fostering of the individual spirit, co-operation has been used for the purpose of making private profit. The Grain Growers' Grain Company is a notable instance of spurious co-operation. Having run the gauntlet for a generation as a co-operative institution and gained the patronage of the farmers under that name, it has at last been forced to resign from the Union of Co-operative Societies, being now recognized openly for what it is, namely, a joint stock company operating for profit. Still, in spite of disappointments such as this, the co-operative movement is forging ahead and many thousands of people in the Dominion regard it as the only hope for civilization.

The Rochdale weavers proved a long time ago, even to the satisfaction of the safe, sane and practical people, that co-operation in merchandising could be carried on efficiently and with benefit to all who were

patrons of the enterprise. Subsequent experiments in almost every country in the world have served to strengthen confidence in co-operative methods. Indeed, the great mergers of the time, which tend toward monopoly, are proofs that the competitive methods are breaking down. The question, then, confronting the people everywhere, in so far as they may be concerned in matters political, is: How can people who have begun to co-operate in buying, selling and producing allow themselves to be divided into two warring camps in a perpetual struggle for political power? Why should farmers who co-operate in business fight each other at the ballot-box?

Dr. Warbasse and Politics

Co-operation cannot be limited to specific departments of human affairs. We cannot obtain a truly co-operative society while competitive industry persists, nor can there be a co-operative commonwealth as long as the competitive struggle goes on in matters of political policy. Dr. Warbasse, in his "Co-operative Democracy," gets over the necessity of political co-operation by predicting the end of the political state. This was no doubt, the basis of the advice he gave in Regina in February, 1929. Unwittingly, perhaps, Dr. Warbasse, on that occasion, became the tool of the political party machine which was at that time guiding the Saskatchewan Section of the United Farmers movement. Mr. Stoneman, who was then President and who has since gone to his reward in the Liberal party, was President more for the sake of the Liberal party than of the

interests of the movement of which he was unfortunately the head, for it was undoubtedly by his influence and leadership, aided, of course, by other members of the Executive, that the U. F. C. was prevented from taking political action on its own account. This view is strengthened by the fact that, when Mr. Williams was elected as President against the wishes of the Liberal party guardians on the U. F. C. executive, these guardians resigned in a body, in the hope of wrecking the movement. In any event, when Dr. Warbasse left with the Convention the implication that political responsibility might as well be ignored, he not only served the Liberal party of Saskatchewan well, but he failed to do himself credit as an intelligent student of sociology.

Dr. Warbasse is a prophet of the co-operative movement and his work in that connection is of highest merit. He believes that the time is fast approaching when the people everywhere will be organized as consumers, that they will take over the direction and management of their own affairs, and thus bring about the abolition of the state, the end of government and the coming of world peace. Many will agree with him that, if the co-operative principle is applied to national and world economics, much good will result, but few will follow him in his exotic and immature political views. In his lecture to the U. F. C. Convention, he gives an instance of a community in which the co-operative societies operated the stores, bakeries, lumber yards, and, in short, took charge of the entire life of the

community, including all social functions. Commenting on this incident, Dr. Warbasse says,—“Here is a situation where the political life of a community seems to be fading out. Taking its place is a non-political organization of the people as neighbors, doing things for themselves which in other communities are done by the political side.”

Of another incident in which a city council had decided to buy supplies as a city from the co-operatives, he says,—“This indicates that the political organization recognizes itself in some communities as subservient to the organization of the people. The people had demonstrated that they were the most competent to carry on the business.”

What strange confusion! What does Dr. Warbasse mean by politics? From his utterances just quoted he clearly says that when a city council deals with social affairs, the transactions are “politics,” but when directors of a co-operative society perform the same functions, it is not politics, although he does not say what it has then become under the magic of a co-operative committee. Where could he have obtained so naive a view except aboard the Mayflower? If he had said that when a farmer milks a cow she gives milk, but when he (Dr. Warbasse) milks her she gives tea, his audience would certainly have demanded some explanation of the magic.

Politics is the business of the people. No matter who does that business, it is still politics. If all public business were done by co-operatives and all social services were administered by them, then

co-operative societies would be doing the political work that is now being done by city councils and governments. And what does Dr. Warbasse mean by abolishing the political state and government? He must either mean anarchy, or mean nothing. It would be a political state when a co-operative society drafts a constitution and formulates laws for the governing of the institution; it would be government when the executive of such a co-operative society undertook the responsibility of enforcing the laws and regulations as set forth in the constitution and having to do with membership, capital, dividends, etc.

A co-operative society is, therefore, a political state in miniature involving both politics and government. Dr. Warbasse seems to think that by dropping certain terms he can drop the functions described by those terms. In this matter he seems to have lost himself in the folds of his own intellectual garments. The historic reasons for the larger political state are as well founded as those which could be advanced in defence of a co-operative society, which in reality is a political state in itself on a smaller scale. The political state may lose its national aspect, but politics cannot be abolished as long as there is public business, and governments cannot be abolished until a perfect humanity, composed of individuals, every one of whom is sufficient unto himself, has come to establish the long-heralded anarchy of Kropotkin and Bakunin.

The business of the people must be done. There are two ways in which that business can be done.

The one way is by certain individuals over whom the people have no control. The second way is by the people organizing themselves in such a way as to be in a position to attend to their own business. The difference between these two ways of doing public business is not that one is politics and the other isn't. The difference is rather to be found in the object for which the business is carried on and in the manner in which it is done. The question at issue, then, between Dr. Warbasse and the United Farmers is,—Shall the business of the people called "politics" be done co-operatively and democratically or shall it be done individualistically and autocratically? If Dr. Warbasse will stop talking nonsense about "politics" and say what he means, which probably is that when co-operative societies are found to be doing all the economic business of the people, then all such matters as education, the building of highways, the dredging of harbors and building of docks, and the collection of taxes necessary to do these things, will be done by the executives of co-operative societies in co-operation with each other, then we would agree with him and say that when that time comes we shall have co-operative government.

Society is not now organized upon a consumer basis. It may be possible that in the world of the future the entire human race will be forever locked in each other's arms in a lasting embrace of love, based entirely on the recognition of the fact that they all must eat. That is the impression which Dr. Warbasse would seek to convey. But while it

is true that democracy must be organized, it is not at all likely that all its organized units will rest on a consumer basis. It is more likely that how people obtain things to eat will be much more interesting than the eating of those things, and, therefore, that organization will take place around the greater interest. Surely Art and Science are not to be reduced to the Art of Consuming. Surely humanity is not destined to become one enormous common stomach upon which we are to crawl into the non-political and ungoverned co-operative commonwealth. Man's co-operative brains have been in his stomach long enough. Of course, if all states were abolished, all governments a thing of the past and all the world were in one consumers' society, there would be no parties struggling for power, and no need for co-operation either, for all would be merged in one, and one could not co-operate with one's self. Be that as it may, people are reluctant to organize as consumers. Labor people are organized in unions because they at least think that in this way they will get more wages to enable them to obtain goods to be consumed; manufacturers are organized as such in order that the workers may be paid less and the manufacturers have all the more for themselves; bankers are organized in order to protect the privilege of controlling social credit; farmers organize that they may be in a position to trade part of what they have produced for an equal amount of that which others have produced. Antagonism between these groups may occur in the process of social adjustment, but co-operation is bound to emerge ultimately from the fact of inter-

dependence. So, whatever may be the basis upon which democratic organization will rest in the future, it is now on a functional basis. This fact and not the mere speculation of a possible world consumers' league must be the basis of political thought.

Political power must be regarded today as an instrument of great economic value to those in whose hands it reposes. It is being used by the financial class and those who profit by trading, as a means of effectively enslaving all others engaged in the economic pursuits essential to society. It was by political power that the manufacturers gained economic advantage over agriculture, for by protective tariffs they were able to raise the price of commodities to farmers without increasing correspondingly the farmers' income. By political power, the bankers, who, if credit were estimated on its proper basis,—namely the power to produce and deliver the goods—would have no credit, secured control of all credit, and now they and their children's children can live for all time, were the system to last, on the interest accruing from the needless debt which they have heaped upon the people. In this way, political power has given the financiers the right to collect for all time a heavier toll for doing nothing than the most diligent and capable producer can ever hope to receive. Shall all the people thus exploited leave political power in the hands of one group in the vague hope that some day the political state will cease to exist, or that all the world will become a common stomach called consumers? There is no magic in the word "consumers." The fact that a banker, a farmer and a factory worker

are all consumers does not help the worker who has nothing to eat and no job, nor the farmer who had to pay in interest to the banker what should have been spent in warm winter clothing for his family. The common capacity to consume avails nothing, but the Bank Act does things.

Why a Bank Act?—or putting the question another way, why not a Farming Act? If bankers are to have legal control of credit, which they do not own and which everybody must use, surely farmers should have similar control of the wheat which they do own and which is similarly used by everyone. To allow bankers a Bank Act, while farmers have no Farming Act, is to permit the former to obtain economic advantage over the latter by means of a political weapon. Why not a Builders' Act, a Machinists' Act, and a Sewer-Diggers' Act? Either each group must obtain an equal power of exploitation or the power to exploit must be taken from every one. Bankers and manufacturers have secured the power to exploit all others. All others, therefore, must contrive to cancel the power which financial interests have usurped, or continued to be exploited.

The mere wish of Dr. Warbasse that the political state be abolished may be a laudable wish, but if it implies that the farmers of Western Canada or organized labor are to ignore one of the means by which they are exploited, and live as if the political state were already abolished, then little, if any, attention can be given to it.

The logical thing for those who wish to overthrow the political state to do would be to stop voting and

to take no interest whatever in matters of social life, education, or any other social relationship. Even if this were done, the political state would go on. It was under such conditions precisely that the state was organized. In the early history of the institution, the people took no interest in their own affairs, leaving the management of all matters pertaining to their lives in the hands of a ruler, whose sovereign power was supposed to have been sanctioned by deity. That system, corrupt, inefficient, and now abandoned, had one advantage over the so-called democratic system of choosing by popular vote those who shall govern, for under the rule of a king the people had the satisfaction of placing upon him all blame for failure, while the present system is one in which the ballots of the voters are regarded as an indication of the voters' willingness to sanction their own exploitation. Not content with that, insult is added to injury when those in command of political power take the position that, since the people voted, they must assume the blame for having voted for their own destruction. Surely, the only alternatives to enduring a government with which all have nothing to do, is not to vote blindly for a government that is unendurable. Would it not be better to use intelligently the political power implied in the ballot in order to bring about a kind of government, in accepting responsibility for which there would be no shame?

Were people to be content with that inactivity in respect of governments which is the implication of Dr. Warbasse's philosophy, and to ignore political means on the ground that Dr. Warbasse believes that

some day government will be abolished, they would be in a position similar to the fanatic who refused to get off the railway track because he believed that railways were going to be abolished some day and give place to aerial transportation. The poor fellow did not live long enough to realize his mistake. Dr. Warbasse, however, does not sit on the track; he advises others to do that.

Those who profit most by their control of the government should feel grateful to Dr. Warbasse for his remarkable political opinions. The ruling class in Canada has been spreading the same doctrine among the farmers of the Western provinces, and with more success than was good for the farmers. There is no such definite line of demarcation between economics and politics. They are as inseparable as two wings on a bird. If a bird were foolish enough to try to fly with one wing, it would merely describe circles in the gutter. The result would be the same no matter which of the two wings was folded. If society can be persuaded to fold its economic wing, it will describe a circle in the one direction; if it folds the political wing, it will describe a circle in the other. If it wants to go anywhere, it will have to spread both wings at the same time and use them together.

All the sound teaching of Dr. Warbasse on co-operative societies is equally applicable to politics. If it is wise for farmers to pool their wheat, it is equally wise to pool their voting strength. If it is wise to co-operate in buying and distributing boots and groceries, it is equally wise to co-operate in the equitable levying of taxes for public services. Farmers

certainly must either co-operate with a view to obtaining a share of political power, or they must cease to sanction by their votes, the placing of financial interests in control of the party system, as they do when they vote for its representatives. But the idea that those who like may attend to politics as long as we do not have to bother with it, is too stupid to attract men and women of intelligence and initiative.

The process of extending the co-operative principle must continue until society becomes a network of co-operative units in a co-operative system. Farmers, bankers, manufacturers, etc., must not only co-operate among themselves as separate functional units, they must co-operate with each other as units within the industrial whole. Nor can the principle of co-operation be circumscribed by the boundaries of a state. Co-operation among nations is the one adequate substitute for armies, navies and arsenals, and the truth of interdependence must be recognized and taught everywhere instead of the falsehood of what may be called national individualism.

Chapter VI

Democratic Organization

Canada is supposed to have a democratic system of government. This erroneous notion is prevalent on account of the fact that the people are allowed to vote for or against the individuals who hold office in the various boards, councils and assemblies of the Dominion. Abraham Lincoln defined democracy as "Government of the people, by the people, and for the people." Madison once said that "The accumulation of all power in the same hands may justly be pronounced the very definition of tyranny." Let the reader be the judge as to whether or not we have, in Canada, more of Lincoln's brand of democracy or of Madison's definition of tyranny.

Democracy is more in evidence as a shibboleth than as an active principle. In a general way, democracy is popularly understood to signify something which is supposed to be in some way or other good for all the people. That "something" is left undefined, nebulous, and becomes the election cry of every demagogue and tyrant who has learned how to secure popular support for policies which are diametrically opposed to democratic principles. If, however, the term is to retain the respect which is now accorded it, Lincoln's interpretation alone will suffice. Taking "Government of the people, by the people, for the people" as a general statement of the democratic principle, it remains to be said that such a principle has no place in the practical affairs

of government in any of the so-called democratic countries the modern world.

According to Harry Elmer Barnes, writing on "An Outline of the History of Democracy," in the *Encyclopedia Americana*, democracy is "a form of social organization in which the participation of each individual in the various phases of group activity is free from such artificial restrictions as are not indispensable to the most efficient functioning of the group, and in which group policy is ultimately determined by the will of the people." The words "ultimately determined," doubtless mean that the will of the people never does immediately determine policy, and, apparently, represent an attempt on the part of Mr. Barnes to save the democratic theory at the expense of the practical fact. "Ultimately determined" may mean that, after centuries of oppression the people, unable to suffer longer, rebel and stage a revolution; or it may mean that periodically the electorate in its displeasure votes a new party into power. Unfortunately, this is what now actually happens, but why such a way of doing things should be called democracy is not easily understood. Surely this fine word "Democracy," for which the Great War is supposed by the ignorant to have been fought, means more than the right of a people to rebel. That right they have at any time, and always have had. Democracy is worthless if it does not mean that the people manage their own affairs in such a manner that there never can be any reason for rebellion. Not that management by the people would necessarily result in faultless efficiency

or errorless policy, but rather that, under true democracy, the people would be responsible, and, being conscious of responsibility, would not rebel against themselves, either immediately or "ultimately." When it is fully recognized that democracy is a principle of self-government which can be expressed only through a technique evolved by itself, a form of social organization, a consciousness of individual and collective responsibility, and a form of government which brooks no interference from royal kings or money kings or any private interest whatsoever, then it will be understood that democracy is only in process of evolution.

It is true that the form of government called democracy is said to be on trial. The charges of crime against it are false, however. Autocracy is the real criminal, and while democracy should have no trouble in proving an alibi, it is probable that, for a time at least, it will be condemned. This extraordinary state of affairs, by which the crimes of the system that is are being charged to the system yet unborn, has come about through the acceptance of democratic theory for democratic practice. Voting is on a democratic basis. That is the excuse for charging democracy with the crimes of present-day society. But if the granting of ballots to citizens is to be the full extent of democratic practice, then, indeed, we have a system which is more dangerous than any other form of government. For people to have votes without responsibility and the means of discharging that responsibility is like a child lighting a match to a barrel of powder. The popular

vote becomes the defence of the rulers for the social crimes they commit in democracy's name. They do the most atrocious things, knowing that the people will receive the blame, since it is presumed that whatever the rulers do, no matter how disastrous, is what the people decided to do by their votes.

The suspicion is now growing in the minds of many thinking people that the franchise would never have been granted to the people but for the assurance of those who permitted it to be given that, by economic and financial power used through the press, the school, the platform and in other ways even more vital, they could retain control of things in spite of the franchise. In any event, the historic ruling class still has control of national affairs. Their blunders having been charged to democracy, that word has lost its reputation.

In recent years, a very decided tendency to abandon the democratic experiment has shown itself, particularly in Europe. Dictatorships have been established in several countries, that is to say, frank, above-board dictatorships. We of the British race recoil from anything which savors of dictatorship, although it must be confessed that our repugnance to it is revealed only when the dictator is visible. In the last analysis, our system of government is a dictator wolf in the clothing of the democratic sheep. The marking of a ballot never has meant that the voter has had anything whatsoever to do with government. Our so-called democratic authority is almost entirely theoretic, to the extent that if there is any reality in the claim that democratic

authority exists, that authority is purely negative. That is to say, the popular vote may discharge one set of individuals from holding offices in government, and this, too, after the damage has been done. But since the government officials who are elected to take the places of those discharged are manipulated like tin soldiers on a table by the same invisible authority which controlled their predecessors, the people accomplish nothing by changing one set of tin soldiers for another.

At the best, the popular vote can determine every four years or so which party shall do the governing, but the popular vote never determines for whom the government shall be carried on. This is a fundamental distinction. It is fundamental because it involves responsibility, and responsibility means more than the privilege to bemoan the empty stable after the horse has been stolen.

Party Organization and Responsibility

The bi-party system of government now in practice in Canada, praised so highly by party leaders and guarded so carefully by the votes of its victims, provides theoretically that responsibility shall fall on the electorate, not only for the personnel of the government, but also for what those who govern do. In practice, however, there is no provision made for the discharge of such responsibility. It is as if the electorate, being permitted to choose the horseman and charged with responsibility for the horse, is not allowed to supervise the actions of the horseman. If, for instance, the electorate were to discover that

the horseman is a horse-thief, and that he has planned to steal the horse, nothing can be done until after the horse has been stolen. The electorate is not permitted to set a watch on the supervisors of the Augean stables of politics, and so they have mourned the loss of many a good steed. Timber limits, mineral deposits, agricultural lands, town sites, oil and gas fields, social credit, and their own right to self-government have all been taken from the people by those elected by the people. A whole herd of valuable horses thus has gone, and those supposed to be responsible for their safety were not allowed to put a lock upon the door until after the event. This condition is not a weakness of democracy; it is purely a lack of democracy.

The democratic problem may be set forth very simply, though its working out may prove to be much more difficult. If democracy is to even have a fair trial during the present experiment, people must be organized in such a way that responsibility may be squarely placed and fairly discharged, and a knowledge of the responsibilities of citizenship must take first place in our educational system. Those who still have faith in democracy must justify that faith by making democracy work, and to make it work, there must be developed an entirely different spirit and outlook on the part of the individuals composing democracy, as well as a different technique for doing things.

The dissipation of responsibility is the greatest weakness of the party system. There is no provision made for the people's acceptance of responsibil-

ity. On the contrary, the system as designed precludes that and makes its appeal to duty. When people vote out of a sense of duty to the principle of democratic citizenship or of duty to their party or to a friend—and many people give one or all of these as the reason for voting—they are not thinking of their own responsibility to themselves, to their neighbors and to the times in which they live. To do things from a sense of duty is the lowest type of morality conceivable, if indeed it can be called morality at all. Duty does not ask for reason. It is an external, mechanical means of direction, and is the opposite of that inward, vital, intelligent, responsible self-direction which alone is worthy of a modern human being. And yet it might well be questioned whether a person is worthy of being called a human being in the moral and intellectual sense who votes or does anything else out of a sense of duty to any thing or person or principle, especially when thus to act does violence to personality, as blind devotion to duty invariably does. (This is not the place to deal with the false philosophy of duty, but it is advisable to challenge it as a distinctive force involving human action, and to state that the reverence exacted by so-called moralists from the populace in the name of duty is not in any sense a tribute to popular intelligence. Fearless responsibility for going in the teeth of duty is not only more noble and more moral, but it indicates the possession of that creative faculty which bespeaks life and growth.)

The party, in some vague way, is supposed to accept responsibility. But who and what is the

party? The party is an invisible machine for which no one accepts any responsibility. It is the "thing" upon which the individuals who supported it out of blind duty try to unload their personal and collective responsibility. Through a secret ballot the mob votes for a policy which has been decided by others in advance. The mob does so because it has been told that duty to a party commander is so to vote. If such a policy is never implemented by the government connected with it, all who voted for it blame the party. On the other hand, if, by any chance, the government were to give effect to the policy in legislation and were the legislation or the policy thereby expressed to prove detrimental to the public interest, there is no one of all the number who voted for the policy willing to accept the responsibility for the mistake. Each one looks at the mistake and then secretly thanks God that he did his duty when he voted for it. It must not be overlooked, however, that to have done one's duty is never an adequate reason for having made a fool of one's self.

The point at issue is that the thousands of individuals who secretly vote for a party policy disclaim all responsibility whatsoever. They say "It was the party." Those who speak for the party say "It was the people." But the party is only a "thing," incapable of responsibility. The people in this case are unknown, for the secret ballot does not reveal the voters. So the people and the party spokesman together conclude that "it" was the culprit responsible for the objectionable policy. "It," of course, cannot be responsible for anything. Until people accept

responsibility for government, democracy must remain a dream, and until organization is effected there is no way of placing collective responsibility.

Things Cannot Be Done for People

The democratic spirit is one of self-help and self-doing. Leaders must abandon the idea that they can govern people or do things *for* people, and the people must be made to see the folly of expecting anyone to do things for them. To expect that things can be done for people is to expect the impossible. I can no more do the thinking for a stunted mind than I can do the walking for a lame child. True, I can carry the lame child from one place to another, but the child is not enabled to walk through my efforts. Indeed, continued practice of that sort would preclude the possibility of the child's ever overcoming its lameness and contribute toward making it a cripple to the end of life. The illustration is a purely physical proposition and its truth will not be denied even by the most ignorant. But what of the application of the implied principle to life in general and to government in particular? Can one man govern another with any better success than I can walk *for* a lame child? The answer is obviously "No." There is nothing vicarious in Nature. One cannot even suffer for another. That idea is pure superstition. No one can do anything worth while for people. If anyone tries to do anything for them he will only do them harm, no matter how kindly his intention. Those desiring to help people in matters of government would be more successful if they would allow the people to help themselves.

It cannot be a democracy when the people do not think and act for themselves, and become responsible for their own thoughts and actions. And people cannot think collectively, act intelligently, or accept responsibility while they remain an unorganized mob. To know how to use a vote and to be prepared to accept the responsibility for its use is of greater significance to democracy than the mere fact of being permitted to mark a ballot. The ballot, however, which is a necessary instrument in a democracy, came first. It might have been better had organization preceded the ballot. That speculation is now too late to be considered. The fact is that without organization the ballot is worse than useless.

If there is any sincerity behind the accepted idea that the people should govern themselves by themselves and for themselves, then some means of doing so must be provided by themselves. In other words, they must organize themselves into flexible, workable, responsible and thinking units. Organization is not only a thing to be desired, it is a cosmic law of progress.

The Necessity of Organization

Organization is a necessity everywhere. The universe is the greatest and most spectacular of all organizations. But even the universe itself is not more wonderful than the organization of a living being. All living things are marvels of organization, perfected through long ages during which they have developed from protoplasm to a state of highly-organized beings, of which man himself is one of the

highest. Nations, too, empires and civilizations are networks of organization. It matters not whether we study the physical universe or the living creatures within it, or the institutions of man, organization in one form or another will be found to be natural and inevitable.

Development cannot take place without organization. In a sense, the main object of organization may be said to consist of the bringing of parts together in a unity, without the destruction of the parts, and in order that each part may contribute to the efficiency of the whole and that the whole in turn may serve each part. The more varied the parts are in character and function and the greater their number to be found in an organic unity, the higher the state of organization and development.

Organization may be defined in a general way as the arrangement of elements in the inorganic world, or of cells and organs in the organic world, or of persons, or groups of persons, in society, as the case may be, in such a way as to accomplish a purpose. The efficiency of any organization is shown in its ability to achieve its purpose.

One has only to compare a primitive community with that human machine called London or New York to be convinced that society is subject to laws of development similar to those to be seen operating in a living organism, or in the physical universe itself. The processes which filled the wide gap between the amoeba and the man are not different in their nature from those processes of civilization which unite the savage with modern society. How bewildered the

savage would be on Fifth Avenue or in Piccadilly! He, accustomed to the simplest kind of life, where each one of his kind performs the same simple tasks each day, would not be able to comprehend the highly-organized civilization in a modern city,—production of all kinds of commodities carried on by various specialized groups, distribution engaging many other similar groups, transportation, education and numerous services all being carried on by different groups, and all working from day to day with the precision of a machine. That is what civilization is. Without such organization, eight million people in New York would be as helpless as so many savages, were they to be huddled together in one spot on earth.

Civilization must be measured by the extent and efficiency of its organization. For people to associate in special ways for special purposes has been, apparently, an instinctive response. Our ancestors did not start out with the intention of organizing the complicated thing called civilization, with its cities, nations and empires, its systems of production, transportation and communication. In a similar way, the physical body of man had reached its present stage of development before the functions of the various organs were understood. But as soon as they were understood, then intelligence was applied to the care and development of the body in a very effective way, and to a very complete extent.

It is only now becoming vaguely apparent what could be accomplished in society were it to be intelligently directed as a whole. If the time ever comes when society is directed by intelligence, attention will

not only be given to the purpose for which each part exists, but also to that greater purpose for which the whole exists. In any event, organization is nature's method of accomplishing a purpose.

The Life and Death of Organizations

There are instances of organizations continuing to exist long after the purposes for which they were established have been fully served. Those may be called "vestigial survivals." Such are like the human appendix which sometimes threatens death if it is not removed. Or they may be likened to the scaffolding used during the process of construction, but which was not removed when the structure was completed. The party system is like the appendix. People are afraid of the pain which its removal would cause, and afraid also of results if the operation is not performed.

Building an organization is a slow and difficult task. The building process so absorbs the attention of those engaged in it that, not infrequently, the main purpose is forgotten and the organization itself becomes the aim. No company would organize a railway system, and then become so absorbed in the system that they forgot to operate it. There is a danger of just such a thing happening in farm organizations. The executive, the directors and organizers and even the local units are all engaged in organizing, and few see the necessity of putting to work the organization already built.

An organization that is idle will most assuredly die. This is true of institutions of long standing as well as

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those of recent development. An old organization, however, will live a long time on its past accomplishments, while a new one left in idleness will die instantly. Very often organizers and directors of the United Farmers have to report that a local unit at such-and-such a point has become defunct. The reason invariably is that the local unit at such-and-such a point died of laziness and inactivity.

Why is it found to be difficult to maintain these local units? Why do presidents and secretaries of United Farmers' locals complain that it is hard to get members out to a meeting? The answer is that those locals are not engaged in doing anything of interest to the community.

There is little attention paid to the work side of the United Farmers' organization. If there is no work of collective interest to be done, there is no need for an organization. If there is work of a social nature to be done, it is just as wasteful to keep an organization idle as it would be to keep a team of horses standing idle in the barn when they should be pulling the plough.

Is there work to be done which can only be done properly by a United Farmers' organization? This is the first question to be settled and one which should be answered before organization work has begun. It is all very well to say that farmers should organize because bankers, manufacturers, labor and other groups are organized. The fact that bankers are organized is not in itself an adequate reason for any other group to do likewise. Bankers did not organize

because they thought that some day other groups would do so. They organized in order to be able to accomplish definite purposes, and they are fulfilling those purposes from day to day, and that is why the bankers' association lives.

The Purposes of a Farmers' Organization

What, then, are the purposes for which United Farmers should organize? When farmers discover this, they will organize themselves, and then locals will not die.

(1) Farmers must be able to defend themselves against the predatory instincts of other organized groups. Bankers have taken control of the farmers' credit and are compelling them to pay extortionate rates of interest, besides withholding from the farmers the use of their own credit at the very time when they need it most. Farmers cannot continue in that position of crippled servitude. They must take the control of their own credit from the bankers. Since it is their own credit and not the credit of the bankers which the farmers want to control, there surely can be neither legal nor moral objection to the proceeding.

(2) Farmers must defend themselves against the economic injustice from which they suffer in being compelled to exchange their products on a basis of inequality with that of the products of other groups. The farmer exchanges wheat for machinery, automobiles, groceries, clothing, coal, and for all the multitude of commodities he requires. But he has no bargaining power whatsoever. The manufac-

turer tells him the quantity of wheat which must be given for so much machinery; the merchant decides how much wheat is to be given for groceries; the motor company decides the number of bushels to be exchanged for an automobile. The farmer decides nothing except that he wants the goods. The manufacturer, the merchant, the motor company, etc., all need wheat more urgently than the farmer needs their products. A farmer might live without an automobile, but the motor company cannot live without bread made from wheat. Nevertheless, the farmer is compelled to give in wheat greater values than he obtains in exchange. He gives what he is asked to give and takes what he is offered. He has the economic standing of a slave. To gain a position of economic equality with those who trade with them is the most important purpose for which farmers need to organize.

The farmers' position of economic inequality cannot be overcome individually. Each by himself has tried for many generations to get control of the commodity he produced and has utterly failed. It is beyond comprehension that some farmers have not yet learned by their failures that separately they are at the mercy of the trader. Many farmers have refused to join the Wheat Pool, saying that they prefer to sell their own wheat to whom they wish, when they wish, and for what price they wish. If they could do that, there would never have been a Wheat Pool. It was precisely because co-operative selling was the only way by which farmers could ever hope to sell their wheat that the Wheat Pool was established.

Farmers who have not joined the Wheat Pool are not selling their grain. They never have "sold" any grain except perhaps a few bushels to a neighbor. In that case, the farmer when dealing with another farmer does price and sell his own grain. But how does the non-pool farmer sell his grain now? He hauls his grain to an elevator. When he arrives he asks:—"What are you paying today?" The elevator man replies, "Wheat is a dollar a bushel today." The non-pool farmer drives his wagon on the scales and unloads. That is not selling anything. Who ever heard of a drygoods merchant driving out to ask the farmers how much they were paying for pants today? On the contrary, the merchant waits until the farmers come to town and then he says, "Here are the pants. They are ten dollars per pair. Take them for that or go without pants." The farmers take them, of course. Farmers should be able to say the same about their price of wheat that the merchants say about the price of goods and the bankers say of the price of money.

(3) Another purpose for which farmers should organize, and which can be stated only in a general way, is that they may be enabled, in a democratic manner, to assume all the collective responsibilities of citizenship. This purpose is as broad and deep as the requirements of life. Nothing of collective interest can be excluded. Community services of all kinds, direction of the social and moral life, attention to education and the health of the community, discharging the responsibilities of a democracy in matters of schools, municipal councils, provincial legisla-

tures and Parliament are all included in this general purpose.

(4) The most positive and constructive purpose of the United Farmers' movement is to develop by actual practice the capacity for co-operation, with a view to the establishment of a co-operative civilization. In developing the spirit and art of co-operation, the place to begin is in the local community. A group of farmers who cannot co-operate with themselves in establishing a means of popular education or a community centre for social amusement and recreation, or in the election of a member of the public school board, or in doing any one of a thousand things necessary in a clean, healthy, happy and efficient modern community, has little to contribute to the co-operative commonwealth. It is in the acceptance in a co-operative way of the small local responsibilities that the capacity for co-operation in greater spheres must be developed.

The local unit which has not undertaken these little, practical services soon begins to grow languid and to send S. O. S. calls to central office for speakers to help stimulate it. Such local units are a burden on the main body, they are unfit to live and might better be allowed to die. It is not worth while to keep them alive just for the sake of having them on the records. Any local unit which can't help itself will die, and ought to die. With all the work to be done the need for organization is great. Every local unit which understands the purposes of organization will tackle some work which the community needs done, and which can and should be done by the

community itself in a co-operative way. And every local which so employs itself will have neither time nor need to think of dying.

To get a list of paid-up members on a roll-book is not an organization, just as a large heap of bricks is not a house. Unless the members are united in the actual performance of some co-operative task, they are not organized at all. Being united and being engaged in some purposeful work is the secret of building and maintaining an organization.

Partyism and the Mob

Let it be supposed that the people of Canada were asked to consider and to decide how to organize themselves so that they might be able to do their own business in the fairest and most efficient manner. Is it conceivable that any one among the population would be stupid enough to suggest an organization after the manner of the party system? It is unthinkable that such a proposal could ever emanate as a result of contemplation of that sort. If, on the contrary, the people were asked to suggest a means of doing public business which would be most unsuitable to modern society, which would enable one class in the community to secure political power over all the rest, while at the same time having frequent changes of government and the whole thing so arranged that the people could always be technically charged with voting for their own destruction, then it is possible that in such a case some ingenious mind might think of something like the party system. There can be no doubt that the party system would

amply meet all the requirements of the proposition.

Democratic government may be unattainable in any circumstances. That it is unattainable without proper organization is self-evident. It must also be obvious that we could hardly expect democracy to function through an autocratic vote-getting machine like the party system. Strictly speaking, the people are not organized at all under the party system. They are really a mob being directed from the top by past-masters in mob psychology.

An unorganized mass of people does not know where to go, and if it did know where to go, it would not be able to get there. A mob such as Canadians compose during an election campaign is incapable of accepting collective responsibility, no matter how much real ability each may represent as individuals. An election mob is just as devoid of intelligence as a lynching mob. It is prejudice, racial and religious bias, strange, unintelligent fears and hates which dominate the mob and utterly smother reason. Canada, up to recent times, was divided into two mobs. Each mob was led by its mob leader, and was worked up to a pitch of frenzy over matters that had little or nothing to do with public business, and which were seldom of sufficient importance to be worthy of mention, especially in comparison with the real national issues which were not likely to have been discussed in a political campaign. Such is democracy as it is practiced today, except for the presence of the Farmer and Labor groups. There is little change today. The party mobs still contend for office. As to which mob wins, it never really matters. One thing is

certain,—that under the party system democracy never wins.

Winning a War Does Not Save Democracy

Democratic government must be made to mean something more than a voting mob or it is doomed. If a constructive change is to take place, one so fundamental as to justify the use of the term democracy as applied to government, the people themselves will have to effect the change. There is no other way in which it can be done. Even winning a war cannot save democracy. Russia fought in the Great War to help save democracy—and became a dictatorship: Italy helped to win a war for democracy and forthwith consigned its saved democracy to the care of the dictator Mussolini; Spain, when she saw what a “saved democracy” looked like, took fright and fled to the protection of a military general; Great Britain won the war that was to save democracy and then yielded herself to the money-kings; Canada won the democracy-saving war also, and then became enslaved to bondholders; the United States won the same war for the same cause but immediately turned to kneel before the Golden Calf.

As was expected by those who were not carried away with the mob psychology of the war-time, the war saved militarism and finance. In this connection, the words of Dr. Moritz Bonn are apt. He says, “The crusade which the Western powers undertook to make the world safe for democracy has in many respects shared the fate of previous crusades. Inspired prophets came forward, preaching the deliver-

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ance of the Holy Sepulchre. But when the battle cries died away, Jerusalem was found to be still in the hands of the unbelievers. The crusaders had contented themselves with pocketing land and power. This last crusade also has failed to bring the millennium in which its sincere preachers believed. It has not even brought the modest measure of internal contentment which might have been counted upon soberly as a result of the war. Political discontent reigns over the whole world."

There is more hope for democracy in national life under the conflict of parties than there is for world-democracy from the bloody battle-fields of international strife. Ostrogorski puts this beyond doubt when he says in "Democracy of the Party System:" "The hypertrophy of the electoral system reached such a pitch that the nation could not properly discharge the duty thrust on it, and in its helplessness it threw itself on election brokers and managers who, under pretence of helping bewildered public opinion, became its masters. . . . The direct responsibility to themselves (the people) which they try to establish all along the line, is scattered, and while it is supposed to be everywhere, is really nowhere." Democracy must turn from all its saviors and save itself. If the people still believe that they are capable of governing themselves, they must begin to build the organization by and through which, alone, it is possible for democracy to function. So-called democratic government has failed most lamentably in those very high-sounding principles claimed for it by its defenders. It is not representative, it is irres-

possible, it does not govern. It is itself governed.

The first step towards democracy is for people to organize themselves. They have begun to do this, and therein is to be found the hope of success for the self-governing principle. Of course, an organization is not in itself democracy; it is only a means through which the people become responsible for all the social interests of life. It is the outcome of natural law. Nature evidently could not make a man out of one single cell, nor a universe out of one lone unit. In a manner similar to that which the millions of cells in the human body have organized themselves into various organs for the performance of special functions, and at the same time retained a vital unity among all parts, so must people, themselves the cells of a larger organism still, be organized.

Groups of people acting co-operatively are as essential to the development of society as groups of cells are to the body of a living being. As long as people are a mob they are merely the social plasm, analogous to protoplasm—the physical basis of life. The nuclei of society are the various functional interests around which people gather and in connection with which they make their living.

Permanent and Periodic Organizations

Any organization which is capable of making a worth-while contribution to the human interests of society must necessarily have some degree of permanence, and it must also be based on a vital common interest. Some organizations are things of the moment, hastily constructed for the accomplishment

of a passing purpose. Political party organization belongs to this spasmodic or periodic type. Like a pontoon bridge which is thrown across a stream so as to carry an army over, and which is removed at once lest the enemy might use it to follow, the party organization is thrown together once in four years to assist its leaders over political streams. When once the party is safely over, the organization is removed until the next stream is to be crossed. As an illustration of the more permanent type of organization, the Manufacturers' Association, the Bankers' Association, the Labor Unions or the United Farmers may be cited. These organizations resemble strongly-built steel bridges which span great rivers, having their piers well-grounded on the bed-rock of economic need and therefore being sufficiently substantial to carry the traffic of a nation for generations.

There is no possibility of building a permanent organization unless it can be based upon a common interest vital enough to hold people together and so permanent that it will not slip from under like shifting sand, and cause disaster to the superstructure. Perhaps herein lies the reason for the fact that neither the Conservative party nor the Liberal party has ever fulfilled the supposed purpose of its existence. For, if the party organized to raise the protective tariff so high that our home markets would be absolutely guaranteed to our own manufacturers, had done so when it obtained office, the basis upon which it rested would at once have been removed, or if the Liberal party, organized to bring about free trade, had done so when in power, it would also have collapsed for

lack of a reason for existence. So the peculiar fact is that the only way these parties can continue to live is to continue to refuse to do that for which they were organized.

If it should be objected that, no matter which party got into power and fulfilled its pledges, the fact that one of them was organized to do the opposite to that of the other would furnish sufficient grounds for the continued existence of both, since the one would be ever ready to undo what the other did, the reply is that if either of the policies advocated by the two historic parties had ever been implemented, and if, in that case, the results had measured up to the promises, there never would have been any danger of changing from it as long as that was so. If both were actually tried in this way the people would know what to do. They would either renounce both or hold to the one which had the best policy for themselves. In any case, the parties would cease to have a basis for existence if ever they developed the courage to do what they promise. To expect them to fulfil their promises is, therefore, to expect them to commit suicide, which is unlikely. But if it ever happens, politicians would grab the most promising circumstances of the moment to rest their party upon during the election. One might become the beer-barrel party. That would force the other to become the water-barrel party, and a new organization and a new alignment of the people would take place accordingly.

Functional Groups

The natural laws which operate in society have organized people, not in the mechanical way of a party machine, but in an organic way; and it only remains for the people to become conscious of the functions they are engaged in and to co-operate with each other on that basis. The functional group is the natural group. By the functional group is meant those engaged in performing one of the essential functions of society and for which they obtain the means of life. That functional interest is vital, since those engaged in it live by it, and it is common since it is shared alike by all within that circle of special service. Moreover, it is as permanent as the function is. There can be no sound organization unless it is based on a vital interest, which is not only common to all concerned, but which is also as permanent as the function which gives rise to the interest.

For example, the United Farmers' organization should be based on its functional economic interest. The words "functional" and "economic" are used advisedly. For it might be possible so to interpret economic interest as to include the entire population, especially in view of the interdependence of modern society; but if that were done, the interest would be so general and so remote as to make organization impossible. On the other hand, while the functional interest is economic, it is so intimate and so immediately vital as to be dynamic. The functional economic interest, although first a bread-and-butter interest, is more than that. It carries with it, also, the expression of the mind and soul of man in the

science and art required in its performance; it is the means of life in the highest sense of the term "life."

There is a sentiment as well as a question of wages which wraps itself around a people who have suffered, or conquered, together. The miners, sailors, or railway men who have faced common dangers and responsibilities have things in common beyond the wage scale, which no others on earth can share with them; farmers who have struggled at a common task, who are associated with nature in all her moods, who have been the victims of her caprice and the recipients of her best gifts, have a functional implication which is that, in addition to obtaining the means of existence, the group concerned will ultimately learn to regard itself as part of a whole, as an organ which cannot continue to exist for its own sake, but which draws its life from the whole in return for which it serves the whole. This fact will bring about conscious organic relationships between all groups for the best interests of society as a whole. The co-operation practiced within the functional limits of each group will be extended to include all groups without destroying the group units. Indeed, unless the group units are preserved, an organic union would be meaningless, were it possible, which it would not be.

Before society can guide itself to the intelligent goal of the highest possible human happiness, it must get into organized formation. It would be utterly impractical to organize society without having some unit as a basis. That is what organization means. The logical basis upon which to form the units re-

quired in an organized society has been prepared more or less blindly by the operation of economic laws. That is the functional economic basis. That this is the natural basis is proved by the fact that some groups have maintained an organization upon it for generations and all groups not hitherto organized are beginning to lay foundations on that same basis. Plutocratic groups like the bankers and manufacturers, composed as they are entirely of the male sex and predatory in their attitude, owe their stability to their common economic interests. Farmers and laboring classes, having failed to effect efficient and stable organizations on other grounds, are now organizing democratically on a basis similar to that upon which plutocracy has stood firm for so long.

The Natural Basis of Democratic Organization

Organizations which have any reasonable degree of stability and which assist in the performance of any vital function are natural developments. Necessity is behind them. This is just as true of functional organizations in society as it is of natural developments in other spheres of study. Groups such as Labor Unions, United Farmers, the Manufacturers' Association or the Bankers' Association are phenomena to be examined and explained in a manner similar to that followed by scientists in other fields. The appearance, growth, and continuation of these and similar movements are no more an accident or result of whim than is the existence of Mars, the growth of a crop, or the evaporation of water through heat. It is true, of course, that a different

set of laws accounts for the Bankers' Association than those which operate in the growth of wheat. But the point is that it is just as natural a result when people of common interest associate for mutual benefit as when a kernel of wheat germinates under given conditions.

The functional group basis of organization, being the natural one, is more stable than the shifting sands of political notions, such as underlie political parties generally. As long as agriculture, for example, is necessary to society, it will remain a firm foundation upon which the groups engaged in its pursuit may build and establish a democratic unit. As long as agriculture is followed as a means of life, there will be many things of a collective nature to be done by those following it. An organization thus stabilized will become the instrument through and by which the collective unit will express and perform the responsibilities of its members in respect of democratic citizenship.

Collective Thinking and Leadership

Thinking together is as essential as voting together in a responsible social unit. Where there is a stable organization of the people, they will meet at times and think over policies for which they are to be responsible. There will be devised a systematic way of obtaining information, opportunity for discussion of their collective problems will be provided, and democratic methods of arriving at conclusions will be established. These are all essential factors of a responsible democracy. Without organization, people

are just as incapable of thinking collectively as they are of accepting responsibility. But when, through organization, responsibility is assumed, thinking will be stimulated. Responsibility is a great incentive to careful thinking and to knowledge-hunting.

Politicians think for people, or at least, do all the thinking that is done. People allow this because, having no responsibility, they do not care who does the thinking.

Politicians present information so biased and colored as to be false; people take it because they know that they will not be held responsible for it. Given responsibility, however, people will gather information for themselves and do their own thinking, and thus will the standard of intelligence be raised.

Democratic leadership is another factor of primary importance, and one which, like that of thinking together, is possible only through efficient organization. Leading a people through a path which they have thought out and planned for themselves is very different from leading them through a road which only the leader has planned and of the termination of which he alone has knowledge.

The qualities of leadership which have distinguished the autocrats of history would ill befit the leader of a democracy. The function of leadership in the case of the latter is to expedite orderly movement, never to determine the destination nor to select the way leading thereto. Such leadership is part of the technique of organized mass-movement. Unless the leader can bring the rest with him, there would be no use in his going. Democracy will have to prepare

itself for orderly advance, explore its own course, decide its own objective, select its own leader, and then shoulder the responsibility. If, on the other hand, it is a mob that is to be led, then its destiny is nowhere, and one road is as good as another. The leader of a mob always has somewhere to go; the mob never. He must, therefore, have full command since he is the only one going, the mob being merely the means of his getting there. The more autocratic the autocrat is, the greater the opportunities for his success.

It is well to note the difference between the function of a leader of an autocracy and that of a democracy. Failure to differentiate here may lead to serious misunderstanding. It is not uncommon to find among newly-organized democratic groups strong suspicion of all leadership and a disposition to go it blindly. But autocracy and leadership need not be confused. The fact that autocracy has always developed mob leaders may well excuse the popular distrust of leadership by democracy; nevertheless, leadership is not the peculiar characteristic of any age or any system. It is essential in all human undertakings, everywhere and always. Because a band of robbers has a leader is no reason why a rescue party should refuse one. The qualities required in leaders will vary according to who are being led and where they are being led, but leadership cannot be dispensed with in any circumstances. It is even more essential in a democracy than elsewhere, and the qualities required are so high and rare that some effort to cultivate them in the rising generations will have to be made.

Autocrats Try Leading Democracy

The Hon. T. A. Crerar and Hon. Robert Forke in Federal politics, and Hon. E. C. Drury as Premier of Ontario, have all given excellent object-lessons in recent years of the way democratically-organized groups should not be led. Their failure was tragic but illuminating. Perhaps they were honest and sincere men, but they lacked not only the qualities required for democratic leadership,—they were void of the democratic viewpoint. All were products of the Liberal party. They were sincerely ashamed of that party's consistent disregard of its own promises of substantial tariff reductions, and doubtless hoped to use the sixty-five Progressives who were elected to the House of Commons in 1921 as a means of stimulating the morality of the Liberal party. The trouble, which ended with Mr. Robert Forke and a small handful joining the Liberal party, while the remaining group repudiated his leadership, was due to the fact that both he and Mr. Crerar, who preceded him as leader, were Liberals. Having been brought up in the party atmosphere, they knew naught else, and could not understand why the rigid party discipline to which they had been so well accustomed was spurned by those they vainly tried to lead. If it had not been that the several groups which composed the so-called Progressive party were the direct representatives of properly-organized democratic groups of people determined to do their own business, the fiasco of the pseudo-Progressive leaders might have ended, for the time being, the whole democratic movement in Canada. As it was, those members of

Parliament who really represented democratically-organized groups refused to follow Mr. Crerar and Mr. Forke back to the wall of partyism, and formed under their own leadership the nucleus of an entirely new idea of political organization and of government.

The lesson of the Crerar-Forke-Drury experiment is that democratic groups must have democratic leaders. The training school of democratic leadership is the functional group unit. The first course of study is to be taken in the local group unit, where there are not even the complications of inter-group relationships to come between the local leader and the will of the group of which he is the head. The next stage in the tuition of democratic leadership is the position of district director or president of a district association, which is composed of a number of local group units in co-operation with each other in a still larger unit. From this stage, the student, if successful in the smaller responsibilities, will probably be entrusted ultimately with the leadership of a Provincial Association, which is again a co-operation of all district units. These experiences will fit the student leaders for the higher responsibilities, national and international, which must be assumed by some, whether fitted for it or not. Thus an organization like the United Farmers of Canada, with its provincial, district and local units, constitutes the school to which the people concerned must look for their leaders of tomorrow.

Class Organization and National Unity

A word might be said here to those sincere, well-meaning, and idealistic people who, lacking informa-

tion, oppose class or functional group organization on the ground that it tends to divide people and lead away from co-operation rather than toward it. Such good people camp on a broad and noble generalization of the imagination, and ignore the steps which are necessary to realize their ideal. They say: "All the people of Canada need the same things essentially, therefore all should belong to one group." That looks plausible, but we might as well say that all living things require air, therefore horses and pigs, rhinoceri and whales, gophers and people should belong to the same trade union and vote together at the polls. Everything depends on how general we make our generalization. What these good people desire is unity. What they fail to see is that a number of parts is not inconsistent with unity. In fact, it is the existence of the many parts which makes unity both possible and essential. Unity by co-operation, however, is of a higher order than unity by amalgamation.

The first step towards knowledge is to face facts. The important fact in this case is that we have classes whether we want them or not; that no man has created them; they have developed naturally as a result of economic law. A group becomes conscious and organizes, perhaps, to defend itself against other groups already organized. If I had to choose between the sloppy, inaccurate talk of an anti-class person who refuses to face facts, and that of an efficient class organization, as to which is the better means making toward a moral civilization, I would unhesitatingly take the latter. There are

people who want to abolish war. A very sure and effective way to stop war would be to kill all the nations. But no one is foolish enough to advocate that. Why, then, advocate the abolishing of all functional groups as the means of abolishing class war? That is equally foolish. Some way must be found of bringing all into co-operative action without destroying the entity of any one of them.

Another will argue that if farmers, for instance, are to organize on a class basis, they may take too much of the good things of life to themselves. They may—but, on the other hand, it is certain the unorganized farmers will get too little. So far, the objectors to class organization have not troubled about the fact that farmers, through their unorganized individualism, have been receiving in the past much less than a fair share of the national income.

The organization of functional group units is being advocated, because it appears that this is nature's way of preventing the exploitation of one group by another, of securing orderly and intelligent collective action and of finally bringing about co-operation. How else are the farmers of Canada or the people who hire themselves out to employers for wages ever to escape from exploitation, if not by group consciousness, organization and solidarity? Shall farmers and workers continue to suffer poverty until the bankers, the plutocratic employers, and those who live by trading the products of others have become so "good" that they cease to exploit? That, it is to be feared, is a hopeless hope. As long as there are people content to be exploited there will be no

lack of exploiters; so long as there are willing slaves, there will always be a bountiful supply of willing masters.

No individual or nation has ever had enough respect for the slavish to offer them co-operation in place of domination. Such is not necessary, therefore it is not thought of. It is only when the slavish become strong enough to challenge the domination of their masters that co-operation becomes a practical policy. When two or more groups are found to be equally capable of self-defence against the designs of any one of them, it will be found that all will be ready to co-operate for the common good. Given such a condition, co-operation will be adopted as quickly as intelligence overcomes the blind predatory instincts; because, if two or more equally equipped and efficient groups enter into conflict, nothing but mutual destruction can result. Self-preservation is still the aim of both the individual and the group. When self-preservation can be more easily achieved through co-operation than by conflict, then co-operation will be adopted. But history gives no example of any unorganized, inarticulate group or nation, which was satisfied to accept whatever was offered to it, ever being offered anything worthwhile. Will the bankers voluntarily give back to the people the control of their own credit? Will the manufacturers, out of the goodness of their hearts, relinquish their protective tariffs as long as farmers are willing to pay the extra taxes involved? Some day humanity may be capable of such intelligence, but not now. Let those who oppose farmers' and

labor groups' organizing on a basis similar to that of other groups try out on bankers, manufacturers, and insurance and mortgage companies the economic sentiments so freely offered to farmers and labor.

Co-operation, the desired goal of the United Farmers of Canada, will be the inevitable outcome of functional group organization. When each group becomes a conscious unit, alert and articulate, the proper function of each will become known, and the social significance of the fact of interdependence will be clear. It will then be seen that, in an action composed of interdependent groups, there is a minimum of well-being below which no group can be allowed to sink, for if any group is allowed to drop below that state, every other group will suffer in consequence. It is at that point and only at that point that the beginning of inter-group co-operation is possible. Co-operation is the only hope of modern civilization. But an unorganized mob cannot co-operate—it can only be exploited; it can only suffer. The individuals are the threads out of which the cloth of an organization is woven; the organizations in turn are the various pieces out of which the garment of a co-operative commonwealth must be fashioned.

The industrial interdependence of functional groups and of nations is so clearly evident that it will not permit of denial. It is on this fact that political co-operation must be founded. But it is just at this point that the conflict between the competitive and the co-operative forces will be the most bitter. The co-operative idea has been recognized to some

extent in commercial enterprises and in that field has met with some favor. Also, the fact of interdependence industrially is generally acknowledged. So far, however, the dominant groups are reluctant to admit the possibility of extending the co-operative principle to political organization and to parliamentary practice. Since political policy is derived from the economic interests of those who are in control of power, it is natural that the co-operative spirit should be slow to enter into the business of government.

It may be taken as a truism that the type which rose to positions of economic and political power under a system of competition is the acquisitive, individualistic, combative type, and although it was the fittest to survive during the period of competitive struggle, it is, for that very reason, the most unfit to be in charge of the national life in our new interdependent age. Being in charge now and still reaping benefits from political power, it will not yield that power voluntarily. The classes which now govern Canada will fight for their jungle rights as instinctively and tenaciously as a mother tiger will fight for her whelps, and the most formidable weapon which will be used by them will be the ignorance of the unorganized mob which now votes for them.

Co-operation cannot ultimately be shut out of Parliament. Some day the system of class domination of the masses through political conflict will yield to the peaceful, intelligent forces of co-operation.

Co-operative Government

The tendencies toward co-operative government, together with suggested constitutional alterations required in order to make co-operation practical in the House of Commons, will be considered in a subsequent chapter.

Chapter VII

The New Economics

Canada is emerging from the period of depression from which she has suffered since the close of the Great War. A similar depression has been experienced by all the countries of Europe. These periods of depression are not new: on the contrary, they are regular occurrences. They move in cycles, and are taken for granted by the orthodox economists.

One of the most obvious characteristics of a depression period is that, just at the time when all sorts of goods are most plentiful, consumers are in dire want of these very goods which are so abundant.

Are we to accept this condition as inevitable, or shall we address ourselves to discovering a solution of the problem? Can we reasonably anticipate a remedy for the state of affairs which exists to-day throughout the civilized world, or must we succumb to the pessimism which envelopes the leaders in maintaining the status quo? In other words, has man the genius to save himself from the results of his own ingenuity, or are his inventive achievements to remain as a spider's web, with man himself caught in the web of his own making?

That there really is a problem to be solved is generally admitted to-day. Unemployment, for example, is no longer a mere temporary inconvenience to the wage-earner; it has become permanent. Nor does it affect the wage-earner alone. He suffers first, of course, but from his empty purse, depression,

like a slow paralysis, creeps up to business, and eventually reaches capital. Unemployed capital is now a fact which cannot be ignored. Even surplus money deposited in banks for lending is not used, since the use of credit by the checking system is in vogue. Very soon, banks will refuse to take money on deposit at a given rate of interest, since a customer borrowing money on his own credit does not borrow money from anyone, but uses his own credit. Banks therefore will not continue to pay interest on deposits to be lent at eight per cent, when they can obtain eight per cent by lending a man his own credit. Corporations, too, must worry over their capital eating its head off in unemployment. Extensive plant equipment running on short time or rusting out in idleness may stir to action those who have been indifferent to the spectacle of unemployed men and women.

There is general agreement as to what is not wrong with the present system. It is well-known that the industrial trouble which causes strikes, unemployment and business depression is not due to lack of ability to produce. In fact, the producing system is so efficient as to suggest over-production, although the latter view is erroneous. To-day, the consensus is that the producing system is capable of producing enough for everyone's need. But how shall that need be supplied? Production having placed the goods in the warehouse ready for use, the problem now is, how are consumers to become possessed of the goods available?

What is to be done? To do nothing is even more dangerous than to attempt the alleged impracticable.

Something is going to be done by someone, sooner or later. If those in the best position to act, do not act with intelligence, those who are in the worst position will act unintelligently, and then all together will suffer.

Active opposition to things as they are comes, naturally enough, from a section of the wage-earning class. Their claim is that what they call the Capitalist System is at fault and that the system itself must be smashed. No attempt is ever made to give a clear idea of what is to come after the smash. Those who advocate the smashing of capitalism are like men locked in the cabin of a burning ship at sea; they want to smash the cabin and get out. That they are escaping death by burning in order to be drowned, does not concern them. Their action may be understood, but it can hardly be called remedial. Is it sufficient to preach contentment to those insurgents who are spurred to action by so grave a condition?

It must be considered that what people "want" to-day is very different from what they wanted a century ago, and properly so. It is quite hopeless for doctrinaire economists to compare the contentment of wage-workers during the handicraft period and prior to the industrial revolution, with the discontent of the same class to-day. If such contentment were possible, it would be unspeakably foolish and would be the beginning of the end of all progress. Consequently it is not merely the few "down-and-outs" of a nation, nor the unemployed reserves of labor, who are manifesting unrest, but the general

body of consumers, the masses of the population, in every civilized country of the world.

People are permitted neither to consume the goods which they have produced, nor to establish a claim upon the goods which they are both willing and able to produce. The ripe fruits of a century of phenomenal industrial progress are dangling before their eyes, but just beyond their reach.

The Profit System and Purchasing Power

The first step in the analysis of the present industrial impasse is a consideration of the Profit System. The Profit System really means, in simple language, that men give their attention to the producing of goods for a money profit. Underlying this practice is a law known in Sociology as the "law of parsimony." This law not only implies that a human being prefers to take the shortest and easiest road to the greatest gain, but it implies also that unless there is "gain" of some kind no human being will take the road at all. Further, in a more practical sense, it is impossible under the present economic system for any firm or corporation to keep on indefinitely producing goods at a loss. However, it is not necessary for our purpose to defend the Profit System. It is sufficient that we accept it as a fact. As a fact then, our system must have profits to enable it to continue, and so goods must bring from the consumer more money than was expended in the production of those goods.

The general public—the consumers—receive their income from industry in the form of wages, salaries,

interest, or dividends. Consumers never get paid for consuming; all incomes are derived from the production side of the ledger. Let that be very clearly understood—consumers have no income except that which they derive from industrial production. On the other hand, industry has no means of making a profit other than by selling goods to consumers.

But, since, to remain in business, a manufacturer must make a profit on the goods he produces, he must sell his goods to the consumers for more money than he paid out in the process of production. It is clear, therefore, that the manufacturer cannot sell all the goods he has manufactured at a profit price, for the sufficient reason that he has not paid out in wages, dividends, etc., enough money to buy out his production at a profit price. This being so, the manufacturer sells as much of his goods at a profit price as the consumers can pay for with the income which they have received, and stores the remaining part of his output. This remaining part is erroneously called over-production. It is over-production only in the sense that it represents more goods than the income of the consumers could pay for. While this so-called over-production of goods is being stored in the warehouse without a market, would-be consumers are suffering from under-consumption. Whether or not the modern producing system can keep supply up to demand must remain a speculation, seeing that consumers have never had enough income to enable them to consume all that they would consume but for their inadequate purchasing power.

The Penalty for Saving

It will thus be apparent that, in connection with the production of any given volume of goods, there is a surplus over that which consumers are able to buy with the money distributed in the operation. This condition is further aggravated by the necessity on the part of both consumers and corporations to save something from income. Money saved, according to the financial system in vogue, is devoted to the production of more goods. For example, a worker in a shoe factory has five dollars left out of his weekly wages, after having paid all bills incurred within his standard of living. He has been engaged in making shoes. His old shoes are badly worn; he would benefit by a new pair, but, fearing the proverbial rainy day, he refrains from buying a five-dollar pair of shoes, and puts his five dollars in the bank. That pair of shoes which he might have bought, but did not, stand on the shelf in the warehouse.

Next week, his employer borrows some money from the bank for productive purposes. Financial credit, based on the shoes unsold, passes into the hands of the manufacturer and is used by him in making perhaps two pair of shoes on the credit of one pair unsold. These are set on the shelf along with that other pair which the worker might have bought with his five dollars. In this way the quantity of goods unconsumed during a cycle of prosperity gradually increases until depression arrives, when "bankrupt stocks" are disposed of. So "the dilemma of thrift," a phrase coined by Foster and Catchings in describ-

ing this really means that the money which a wage-earner saves is very likely to be required by him for a mere existence during a period of unemployment brought about largely by his efforts to save. For unemployment is always caused by there being more goods than markets. And when a worker has saved some money, he not only has failed to buy goods to the extent of the amount saved, but has helped to increase the surplus of goods which he cannot buy, and has hastened by that much the inevitable depression and his own unemployment.

Orthodox Economists Balance the Accounts

Orthodox economists hold theoretically that ultimately there must be a dollar of purchasing power somewhere for every dollar's worth of goods on the market. There is no proof advanced in support of this theory. It was assumed by the fathers of the dismal science that, given enough money for production, there must of necessity be sufficient money to purchase that which has been produced. Let us admit that theoretic balance for the sake of argument. But what tragedy ensues in the balancing! Goods which rot on the shelf and are never consumed by any person help to make such a balance. The long periods of depression with their corollaries of bankruptcies and unemployment are the processes of this theoretic balance.

There is a "time" factor, of great human importance at least, which enters into the problem at this point. To illustrate, we are told that, theoretically,

a certain rainfall is sufficient to produce a crop of wheat in a given locality. But it is found at the end of the season that, while the quantity required had fallen, there was actually a crop failure on account of drought, the reason for this difference between theory and fact being that the rain fell in December instead of in June.

Thus orthodox economists may continue to balance their economic books by means of economic theory, but, while they are so engaged, millions of people are at the point of starvation because they have not the purchasing power to enable them to take from the warehouse the goods which, by their own labors, they have helped to place there. We are addressing ourselves to the consideration of this painful and stupid condition, and not to dusty theories, which may truly be said to be "faultily faultless, icily regular, splendidly null."

There is no economic theory which can gainsay the fact that the financial operations in the processes of production under a profit and thrift necessity, are such as to make it impossible for the consumers to clear the warehouses of goods in time to prevent recurrent periods of trade depression.

New Capital and Prosperity

It is of importance at this stage to draw attention to the effect which new capital has upon business and industry generally. Let us suppose that the wheels of industry, clogged with unsold goods, are beginning to slow up. Just then, we will suppose, a new industry is born and a large amount of capital is being

expended in its establishment. All such capital becomes purchasing power to bring to consumption goods of other industries which were clogging the wheels of production. During the entire period of capital expenditure on plant construction, the demand for goods in the community is stimulated, because until such time as the new plant begins to operate there are no new goods on the market. Hence periods of extensive capital expenditure are periods of prosperity.

Of course some may argue that there will always be new industries to stimulate demand through the release of new purchasing power. There probably will be, but during the next century there is likely to be a diminution in this respect as compared with last century. But, in any case, new industries in the past have not been able to maintain a supply of purchasing power equal to the wants of the consumer nor equal to the possibilities of production. Something more adequate must be found as the basis of our hope for release from a chronic lack of purchasing power in the future. For, as we have seen, the capital expended in a new industry gives only temporary relief. When new goods to the value of the capital expended have reached the market, the stimulation which new capital gives to effective demand ceases.

The automobile industry in the United States during the past few years aptly illustrates this point. If there had been no motor business, there would have been approximately six billion dollars less in circulation in the United States than there is at the present time. Such a vast sum of money, applied

largely to capital expenditure, stimulated the business life of the entire nation.

This, to a greater extent perhaps than any other factor, accounts for the recent years of prosperity in that country. But just as depression followed similar periods of prosperity which were brought about in a similar way, so will depression return to the United States unless something fundamentally constructive is done to provide consumers with sufficient purchasing power to enable them to maintain effective demand up to industry's capacity to deliver goods.

Mr. Henry Ford's suggestion of higher wages and more hours of leisure as a means of bringing prosperity needs hardly be commented upon. No matter how high wages are raised, they must be included in the price of the goods in the production of which wages are paid. Men of genius like Mr. Ford may do good service by reducing overhead through the perfecting of industrial organization and by adding to wages the amount saved in overhead. But Mr. Ford's as well as other corporations must make a profit in order to stay in business. Such profit can come only from consumers, and is only possible by charging consumers more for the goods than was paid out to them in wages. This being so there is no permanent solution for the modern industrial dilemma in the suggestion of Mr. Ford, admirable in other respects though it be. More leisure does not put more money into the pockets of consumers, nor do higher wages alter that relationship which must of necessity exist between wages and the price of goods under a profit system.

The Foreign Trade Philosophy

There is another popular notion in this connection, more fantastic and with less to commend it than that of Mr. Ford, and that is that the goods which have been piled on the shelf through the process described may be disposed of abroad. The manufacturer turns his attention to what are commonly called foreign markets. In this he is, of course, encouraged by governments, which are not infrequently composed very largely of persons directly interested in manufacturing, and having no knowledge of the fundamentals of economics. By trade treaties, tariff arrangements, etc., nations begin to swap their jack-knives, so to speak, in the blind hope that by so doing, all will become richer, that each will gain a favorable balance of trade.

Foreign trade is the master sophistry of our age. It dominates both home and foreign policies in all civilized countries. Like all other sophistries, this one holds the field because outwardly it has the appearance of truth and, looking so good on the surface, is unquestioned and thus passed without sufficient probing or analysis. The fact that there is, and probably always will be, a legitimate and profitable exchange of goods between nations, helps to bolster up the sophistry of foreign trade to a position of unchallenged supremacy in the minds of politicians and even of statesmen. But there is a vast difference between the simple exchange of a century ago of goods manufactured in Britain for raw cotton grown in America, and what is known to-day as foreign trade.

The fact is that the Industrial Revolution—so-called,—which began with the first steam engine, has spread throughout the civilized world. This means that in all industrial countries machine production has been developed to a very high degree, and to a very great extent the same kinds of goods are being manufactured in all industrial countries. The legitimate foreign trade which consists in the exchange of a product say, of America—which is plentiful there, and scarce, or not produced at all in Germany, for a product plentiful in Germany, but not produced in sufficient quantities in America to meet the demands of consumers, is gradually vanishing on account of the universality of manufacture of all kinds of goods.

One of the functions of a tariff has been to enable a country to build up an industry which, without artificial assistance, could not have been built up in the face of cheap goods from another country where that particular industry was flourishing on account of favourable natural conditions. So it comes about that much of our so-called foreign trade consists of the exchange of a jack-knife made in Germany for a jack-knife made in America. Of course there is no particular objection to this, providing that all concerned are prepared to meet the economic waste which the transaction involves, and so long as all concerned do not expect to become wealthy by unavoidable waste of energy.

“We” are foreigners to another nation. To realize this would probably be sufficient to explode the foreign market bubble. The United States is a

foreign market to Europe and Britain, while Europe and Britain are foreign markets to the United States. Well, Britain wants the United States' market for automobiles. Let Americans answer what the extent of that market is. But the United States wants the British market for automobiles. Let the British say in turn how many automobiles they cannot supply to themselves. Looked at in this way, foreign trade appears as the palpable absurdity that it really is.

It would be amusing if it were not so tragic to hear leading politicians of Canada and the United States boasting because their respective countries have shipped out more goods than they have brought in. So-called favorable balances are growing into some other country's "foreign debts" which not only cannot be paid, but remain as a burden upon the creditor and debtor alike.

But this will-o'-the-wisp of foreign trade intensifies international competition and must be regarded as one of the chief factors leading to war. Beneath all the excuses of "national honor," "violation of sacred treaties," "saving democracy," and other popular phrases adopted by nations in their own defence for participating in war, is to be found the struggle for foreign trade.

If foreign trade existed in reality it might even be worth a war. But when a nation deprives itself of goods to ship to another country which has no goods to exchange in return, and then, above all, has to engage in wars for that privilege, the situation be-

comes too absurd for comment. There is, of course, no objection to a fair exchange of goods between nations for mutual advantages. That is serviceable and therefore advisable. Or it may even be considered a commendable thing for the United States to give eighteen billion dollars' worth of goods to other countries, providing they can afford to do so, and providing also that the transaction is understood to be charity. But to call this "commerce," or "foreign trade" is a misnomer. To expect payment is ridiculous and to accept payment even if payment could be made, would be disastrous.

Foreign Debts Cannot be Paid

That the goods exported and services provided by one nation are the only means of paying for goods and services from another nation needs no argument. Let those who may dispute this show some other way in which payment can be made,—there are some nations to-day which ought to be willing to pay a very high premium for knowledge of that other way. So far that knowledge has not been forthcoming. There is no other way. What would happen, for example, if Europe were in a position to pay its debt to the United States in goods and services?

Europe owes the United States approximately eighteen billion dollars. This means that the United States during the last generation or so has produced eighteen billion dollars' worth of goods more than her citizens were able to buy. What would happen if goods to that amount were to start to flow back into the United States? Briefly, industrial plants would

shut down while foreign goods did the paying. The resulting unemployed would have no wages. The purchasing power of the consumers would be reduced by the amount of wages which the unemployed would not be receiving and a condition of affairs too terrible to picture would ensue. America cannot afford to be paid. Bad business though it is to keep on shipping out goods which cannot ever be paid for, it would be worse business were payment attempted.

Huxley once wished that a comet would come and sweep our world away, if humanity failed to apply intelligence to social affairs. Let us suppose that the destructive comet came, but did not sweep away the entire world. Let us suppose that the North American continent was left and all the rest destroyed. What then would be our program? Would we try to negotiate foreign trade with Mars, or would we develop trade in the only place where it could be developed, namely, within the boundaries of North America? Is it too much to expect that the people of North America will have the intelligence to do, without a devastating comet, that which they would be forced to do were the comet in reality to wipe out the rest of the world?

It is not too much to say that if sufficient purchasing power had been supplied to the citizens of the United States they could have consumed all the goods at home, which now stand on the books as foreign debt, which debt hangs as a mill-stone around the neck of Europe. And surely it were better for the United States to sell goods to its own people and give real prosperity to its own people than to devote

eighteen billions of dollars' worth of goods to Europe which could have been consumed at home, and for which donation there is no thanks. Donation and debt are synonymous terms in this case.

The plan of Mr. Hoover is one which leads further into the maze without a hope of finding a way out. He suggests the systematic and permanent investment of surplus production in reproductive works abroad. Mr. Hoover might follow that policy until all Europe had been actually purchased by the United States, and then what? He would have become the possessor of his own debts and an enormous liability besides, and worse than all he would have completely destroyed his foreign market; and all at the expense of the citizens of the United States.

The Money Factor in Economics

The great importance of the money factor in the industrial scheme is becoming more and more evident. The effort of the Federal Reserve System to control inflation and deflation in recent years may be regarded as a hopeful sign, inasmuch as this attempt, while not a solution of the problem, does tend to focus the attention of the public on that lever—money,—which more than anything else has to do with business depression or prosperity. The whole question of how to raise the general standard of living to a level comparable with society's ability to produce goods is decidedly a question of money.

Those in control of money are as a rule ignorant of economics. They have heretofore regarded money

as a commodity which would regulate itself; a few financiers have seen the profound significance of its economic application. Money has been properly designated as the life-blood of the industrial organism. It must flow through the arteries of trade and commerce in the proper quantity and under the proper pressure to give health to the industrial body.

Inflation and deflation are twin evils. Hitherto they have been accepted as a matter of course, and regarded more or less as acts of Providence. Of recent years, however, a clearer understanding of these unfortunate and preventable occurrences has been attained and the achievements of the Federal Reserve System in the United States must be regarded in this connection as of great significance. Even if the attempt which the Federal Reserve Bank made to control credit was not as successful as some people may have expected, the effort itself indicates at least that recognition is being given to the relation of finance to industrial phenomena.

The real point at issue, however, is not the effectiveness or otherwise of the Federal System in preventing inflation and deflation, nor to what extent the price level was controlled by its efforts, nor as to whether or not the Federal Reserve Bank should continue as it has been doing or whether credit control should be directly in the hands of the state. To stop inflation and deflation, desirable though it may be, is not enough. Nor is it sufficient to add to that accomplishment a stabilized dollar. For if all this were done, industrial depression would still recur as long as the purchasing power of con-

sumers is limited to the wages and dividends of a profit system.

However stabilized, there will still be fewer dollars paid to the producers than are required to purchase the goods produced. The difficulty is that under our system this hiatus is stabilized, and, regardless of the stability of the dollar, it will always mean a surplus of goods, unemployment, and more or less acute financial depression.

It is to be hoped that the Federal Reserve System will obtain complete control of inflation and deflation in the near future. But it must not be expected that, by so doing, a cure will have been found for the hiatus between purchasing power and price. The fact is that, under the present method of financing production and distribution, deprivation is a chronic condition, and it is inevitable that there will be a greater flow of goods into the market than there will be of money into the hands of consumers. The only way to obviate this condition is to cause the flow of money into the pockets of consumers to equal the flow of goods into the market.

The Federal Reserve System has no power to attempt such a regulation of money in relation to goods. Nor can it be given such power. For, while it is comparatively easy to regulate the issuing of credit, it is a very different matter to direct such credit into a particular channel. Borrowings are nearly always for productive purposes—consumers cannot usually borrow money to enable them to consume. The Federal System of credit control has no power to direct credit issues into consumers'

pockets. It can probably control money expended in production to some extent, but has nothing really to do with consumers' money. True, when more money is spent in production there is more in circulation, but, for the reasons given, the tendency is always for the goods available to exceed purchasing power. Therefore, the more money spent in producing goods the quicker will come the stagnation stage, when warehouses are blocked with the accumulation of goods in excess of consumers' purchasing power.

The invention of money itself and its development to its present facility were greater problems to our forefathers than the proper regulation of money in the industrial processes should be to us.

To find some way of supplying to consumers sufficient purchasing power over and above their savings to enable them to buy out the entire production if necessary and at any moment, is the real challenge to modern economists. A way must be found, otherwise industrial progress will be useless. For what is the advantage of building extensive plant equipment which we are unable to use? What advantage is there in being able to produce goods which we are not permitted to consume? But this is precisely the position in which the modern industrial world now finds itself, and this position marks in a very real sense the defeat of a century or more of phenomenal progress in the realm of production.

Solving the financial problem in relation to industry is more likely to be undertaken by the people

of North America, than by any other people in the world. There we have sufficient industrial advancement to prove that the mere ability to produce goods is no guarantee of prosperity and that consumption is of equal importance with production to keep the wheels of industry running. In addition, there is initiative and creative genius in the United States and Canada. This question of consumers' purchasing power is one for the business men of this continent. Some day they will recognize the problem and solve it.

Some of these business men say "Produce more." But that is impossible, since production has been stopped, owing to the fact that more goods than can be sold have already been produced. Even if the natural law governing production were set aside and a "more production" program were initiated on another basis, unless that were followed by a distribution of goods for nothing, or money were distributed with which to buy the goods, people would be even worse off as a result. For the more production there is over consumption the greater the industrial depression which must inevitably follow. So those who blindly cry "more production" as a cure for too little consumption are baying at the moon.

Some say "thrift" is the thing to prevent unemployment. But, as we have seen, money saved decreases consumption and increases production. Thrift therefore aggravates the condition which it is proposed to relieve.

As to preventing recurring periods of depression and unemployment, our governments and bankers

and leaders of orthodox economic theory declare that it can't be done. According to them, these periods must be accepted like summer and winter. Hence the orthodox, by this declaration, confess their incapacity to lead. Such declarations cultivate hopelessness and breed despair among the victims of the system.

Then there are those who hold that the profit system is at fault and that its destruction is the only remedy for this evil. No wonder this idea has been born. It was fathered by the hopelessness disseminated by those in control of power. And while the mere destruction of something will remedy nothing, it is quite possible that people may be driven by desperation to destroy. The challenge is flung out to the supposedly wise who presumably guide the destiny of nations. If those who regard the profit system as a necessity and an efficient system of production, cannot find a policy by which those who produce can secure the goods they have produced, neither their platitudes nor their armed force will save the system ultimately.

A section of our politicians says that access to foreign markets through free trade will bring prosperity to all. But the only foreign market worth while would be one which returned as much in the form of goods as we shipped to it. If we could not buy in our own country all the goods we produced, we would not have money with which to buy the foreign goods for which our surplus products were exchanged. In any case the foreign market is a delusion.

Another group of politicians proclaim that we should eradicate business depression and unemployment by placing a high tariff against foreign goods and by that means save our market to ourselves and exclude foreigners. Even if this could be done, our factories would gain in their powers of production over the consumers' buying power, and unemployment would be as inevitable as it is under present conditions. Fortunately for the student, there are examples of both free trade and protectionist countries. The industrial problem of Germany, for instance, as a protectionist country is similar to that of Great Britain, the home of a free trade policy. And, in Canada, where we have a hybrid policy, which is neither free trade nor protective, our industrial and commercial conditions are similar in every fundamental respect to those of Germany and Great Britain.

Recapitulation

The New Economics declares that production depends on consumption and consumption is determined by purchasing power. The analysis of the modernist economics may be briefly recapitulated as follows:

1. The power to produce goods sufficient to meet the needs of the people is not questioned, at least on the North American continent.

Europe, India, China and Japan are, of course, all over-populated, and it is very doubtful whether the resources of these countries, even if properly used

and distributed, would be sufficient to maintain the various populations in prosperity. However, over-population is not a problem in North America. No one doubts that, with our resources, with our equipment, with our efficient workers, etc., no one need lack for any necessity or comfort of life because of inability to produce either the things needed or their equivalent. This being so, if there are people in need in our country, it is not due to inability on the part of our producing system to supply such needs.

2. There are many people both in the United States and in Canada struggling on the edge of want, while the great majority have to do without many things which they are both able and willing to produce.

3. Enough to satisfy the needs of all is not produced, although we have the capacity to do so. The reason sufficient is not produced is that more than is now produced cannot be sold. And the reason why more cannot be sold is that there is not enough money in the pockets of consumers to buy any more than they are now buying. An effective demand equal to the consumers' capacity to consume would very probably double our entire productive output.

4. But why cannot the people buy all the goods they are capable of producing? In a general way, this question could be answered by saying that financial policy is not determined by the demands of industry and business, but by the whims of bankers who know nothing of economics, and by the old fetish of the gold basis; hence the difficulty.

However, the question may be answered more completely.

5. Goods must be sold under the profit system for more than was expended in their production. Where is that "more" to come from?

6. All money available as purchasing power has been distributed to consumers in the process of production. Consumers have no purchasing power other than that which they receive from industry in the form of wages, dividends, interest, or profit. And industry has no market for its goods, other than that furnished by those who have been engaged in the production of goods.

7. Goods must be sold for more than they cost to produce, and since those engaged in the production of goods are the only ultimate consumers, and since they have not received sufficient in the form of wages, dividends, etc. to buy them, obviously all the goods produced cannot be sold.

8. There must, therefore, remain a surplus of goods over that which consumers can buy with the money obtained in the process of production in connection with any given output of goods.

9. This surplus of goods over consumers' ability to buy is made greater through the necessity on the part of individuals and corporations to "save," for money so saved is not only withheld as purchasing power in respect of the goods in the production of which it was paid out, but it is actually turned back into more production.

10. Consequently, the surplus of goods which represents the difference between the profit-price value of the entire output and the amount distributed to consumers for their services as producers is made larger by saving, so that a worker is in a dilemma. For if he does not save he may suffer want, and, if he saves, his very thrift brings inevitable want through unemployment, brought about by a surplus of goods over purchasing power and the consequent slowing up and sometimes the entire stoppage of the wheels of industry.

11. This condition of depression and hardship occurs periodically. Want is most rampant when the warehouses are filled to capacity with goods, because at that time there is less purchasing power because of unemployment, than when the warehouses are empty and all are working to fill them.

12. The so-called periods of prosperity have been found to be periods of capital expenditure. Capital expenditure increases purchasing power because during the initial stages of such expenditure, there are no new goods on the market, as a result of the expenditure, to balance it. Therefore, capital expenditure is available for a time for the purchase of goods already produced. In this way, congestion is periodically relieved and brief prosperity ensues. But the wave of prosperity recedes as goods resulting from capital expenditure find their way to the market.

It must be clear, as the result of the above analysis of industrial phenomena, that prosperity could be made permanent provided there was constantly

sufficient money in circulation to buy out the entire output of production at any given time, or at all times. But since the flow of money into the pockets of consumers through the avenues of wages, profits and dividends, etc., is never sufficient under a profit system to equal the flow of goods into the market, some way must be found to increase the purchasing power of the consumers to equal the flow of goods, or else the profit system, however well it may have served as an efficient producer, must be abandoned.

The remedy, according to those who have made the above analysis, is as simple as the analysis itself. It takes for granted that the only reason for producing goods is that they may be consumed; that goods cannot be consumed unless paid for at a higher-than-cost price, that they cannot be paid for at a higher-than-cost price since the only money given to the consumer is that distributed in the process of producing the goods he wants to buy, and that the entire distribution cannot be equal to more than the cost of the goods. It follows naturally then that what is required is an agency of some sort which will regulate the flow of money so as to balance the flow of goods into the market. Such a regulation must be reasonably accurate, since too great a flow of money, e.g.,—more than the value of goods for sale—would be as bad in effect as too little.

What the Government Should Do

The first actual step towards a remedy is to obtain a knowledge of the amount of money required to buy out the entire output at a given time; how much

of this amount has been circulated in the process of production; and so calculate the exact amount required to balance production on a cost-plus basis.

The Government, having the sole right to control finance, should appoint a Board which would at once gather the required information and apply it to a governmental policy of financial control. When capital expenditure was general throughout the country the Government could act in such a way as to check a boom, and when the tendency to depression developed, the Government, on the advice of the Board of experts, could take a course which would maintain prosperity at a standard height.

Prosperity and depression are psychological, in the sense that, when the first sign of either appears, everyone hastens to take advantage of it. Prosperity induces capital expenditure and capital expenditure induces more prosperity until, in the manner already described, the warehouses are full and depression begins. Then, no sooner has depression made its appearance than a psychological factor speeds its progress. Credit stops, liquidation is enforced, capital expenditure ceases while everyone makes a wild rush for cover. In the face of an approaching depression, everyone desires that someone else shall be left to hold the empty bag. During an approaching period of prosperity, every one sees in it his chance to make a little hay while the sun shines. Under these conditions, the psychological factor not only speeds up the van in the direction in which it happens to be going, but carries it far beyond where it would naturally go under its own power.

A government agency in control of finance would immediately find that this psychological factor had enlisted on the side of control a stabilized prosperity. As things now are, every business man knows that there is no means of control and acts accordingly. When it becomes known that depression is not going to be allowed, there will be no panic, and no hasty scurry for cover. This in itself would greatly assist in gaining the desired control.

Another means of control in the hands of the Government, which, if used properly in the light of the information which the Board of experts would be in a position to furnish, is its own public expenditures and its own methods of financing. Instead of howling "thrift," and curtailing expenditures in the midst of a period of depression, as is the usual practice of governments, that is the time for great expansion of public works and services. On the other hand, when prosperity is flourishing, the Government would, if acting under the above proposal, enter upon as few new projects as possible and would finance entirely from taxation, whereas financing with a view to preventing depression should be done by issuing credit.

To make clear the real force of this point, take a practical example. Suppose that the great St. Lawrence waterway project is undertaken. For the purpose of this illustration, let the cost to Canada be estimated at one hundred million dollars, and let it be assumed that the undertaking will be financed by credit issues, as it most certainly will be if the project is ever decided upon. In that case, one hundred million dollars of new money would be circu-

lated in Canada over the period of construction. That much money would be available for goods. It would represent extra purchasing power against which there were no corresponding goods in the market. Hence, such an issue in a period of prosperity helps to make a boom, while, if issued during a period of depression, it would help to revive prosperity. With this means of control in the hands of a government, with the psychological forces assisting in the manner indicated, and with the Government in the position of being able to go as far in either direction as may be necessary to maintain perpetual prosperity, there need never be want in a country capable of producing abundance.

Having diagnosed the case and prescribed the remedy, it now remains to find or create a government which will fill out the prescription of socialized credit. A government controlled by financial interests will not do so. A government which will do so will have to be created. It requires a new political system to apply the new economics.

Chapter VIII

Co-operative Government

Shall we continue to carry on with a system which does not work, or shall we try to find something that will work? That is the question which confronts the critics of the co-operative idea of government. It is the present system which is on the defensive. The party system has shown itself to be inadequate in all British countries, especially during the last decade. The monopoly of power by one class, through the party system, should be sufficient to condemn it in the democratic mind. Added to that is its inefficiency, its corruption, and the endless and stupid conflict which it fosters. The most serious defect, however, is the waning confidence of the public. Government under the party system has become a joke. People expect the worst from it always, and are filled with suspicion and distrust. Few take the work of Parliament seriously. Politics is regarded as a game, the people take sides as they would at a football game. It is understood that the side which wins will distribute the prizes among its friends. That is a fair description of how politics and government are regarded by the man in the street.

Agriculture, burdened with taxation, and with the whole industry on a non-economic basis, has not only ceased to expect any assistance from governments as they are at present constituted, but is rather inclined to regard governments as the enemies of the farmers. Organized labor has a similar attitude, and these two groups comprise the major portion of the entire popu-

lation. Canadians are law-abiding and law-respecting people. They instinctively avoid unconstitutional action, and it is well for them and for all concerned that such is the case. Nevertheless, party and national leaders would be ill-advised to depend too confidently upon the docility of the people.

The party system continues, not because it is trusted or respected, but because it is tolerated as an alternative to an equally hopeless disorder. Nor is Canada alone in this respect. The entire civilized world is in need of political adjustments such as will bring governmental institutions into harmony with the new economic interdependence, and to square the antiquated practices of autocracy with democratic principles. Rather than continue with similar systems, some nations have accepted dictatorships, either of the Fascist or the proletarian variety. The Fascist dictator has been supported because it was believed that he would govern justly for all the people, the proletarian experiment was embraced because, being proletarian, it was supposed that it would dictate in the interests of the proletariat. Canada has not followed either of these, although her people have as little confidence in the system of government now in practice here as the people of Italy and Russia had in their respective systems.

Democracy is a Canadian ideal, and will not be abandoned lightly. Instead of rebelling as other nations did, the Canadian people realize that they themselves are to blame for having voted, generation after generation, for the system which they now see to be undesirable. Moreover, they know that, if

democratic government is to be tried, the people must cease looking for some one to blame, and prepare themselves for greater responsibilities. Accordingly, the Canadian people have begun to organize themselves into democratic groups, to study economics and politics, and to accept responsibility for their own politics and representatives. There is nothing spectacular about what is taking place in Canada in this respect. Yet who shall say that we are not as close to a solution of modern political problems as other nations, which seem to have gone further?

It is surely true of democratic governments, at least, that they cannot be wiser or better than the people who establish them. That being so, the place for people to begin the desired improvements in matters of government is among themselves. The unorganized must be transformed into organized units, capable of orderly and conscious movement. Such a transformation, however, must be organic and not mechanistic. That is to say, the people themselves should organize and direct themselves, become responsible for their own thought or lack of thought, and for their own action or inaction. Such a condition would be organic, as opposed to the mechanical action of temporary groups and parties without either responsibility or self-direction, but blindly following leaders who are, to all intents and purposes, political engineers who grease and manipulate the human machines.

The precision and efficiency of the machine are often sought at too high a price. The price paid by

organizations for them is invariably the vital and organic elements which, when they are discarded, leave nothing but the mechanical principles of standardization and regimentation.

There is as much difference between an organic group and a mechanical group as there is between a living flower in a garden and an artificial one on a restaurant table. Of the latter, there can be an abundance of every shade and coloring at all times irrespective of the season; the former is limited and circumscribed by vital conditions. Even so, it would be better to wait three months or six months for a living rose than to put up with the lifeless wax or paper counterfeits.

Modern democratically-intentioned groups are ever in danger of succumbing to the mechanical principle. It is so tiresome to wait at the first meeting of a newly-organized group until the members present have thought out what ought to be done. Besides, what is the use of waiting for the people to think when the leader or leaders have already done the thinking? The thing to do is to carry on the business of the democratic unit with the greatest precision, dignity and despatch. A committee—the smaller the better—can do business more quickly and efficiently than the whole group. In the interest therefore of speed and mechanical efficiency, the chairman appoints a committee. He naturally names a few who, he knows, have accepted his own ideas. In this way,—without any conscious intention on the part of leaders,—the democratic and vital principle may be carelessly surrendered to the mechanical. The

meetings of such a so-called democratic group thereafter follow the original practice and eventually become a little unimportant mill for grinding the corn of its leaders.

Many Labor and Farmer local organizations have fallen into such a condition. They run well for a time, but eventually the parts wear out and cannot be replaced, and what is supposed to be a defunct democratic unit is discovered to be a small heap of worn-out autocratic machinery which never did have anything to do with life. It is not correct to say that these local units have died. Rather, they have either fallen to pieces, or the engineer has died or left the community, and no one else knows how to run the machine.

It is not democracy when the people sit by and watch some one else acting in their name: they must decide what is to be enacted and direct the enactment. Groups of people must follow the vital organic principle of growth from within, and be self-directive. If this is not done, neither democratic nor co-operative government is possible. The question therefore, as to whether or not Canada is to have a co-operative government, is one which depends entirely on the people themselves.

Co-operative government implies voluntary action by all parties concerned in the undertaking. The various organized groups of people must have decided convictions on the matter, and their representatives in Parliament must be instructed accordingly. In other words, co-operative government will not likely have its beginning in Parliament. If superimposed

in that way, it will become mechanistic, or a temporary expedient put into operation by a major party which does not happen to command a majority in Parliament and offers co-operation as a bait to minor groups.

At the time of writing, the press announces that a co-operative government has been inaugurated in the Province of Saskatchewan under the leadership of Premier J. T. M. Anderson. Saskatchewan, however, is far from being ready for co-operative government. Labor in that province has scarcely begun to interest itself in the political phase of democratic citizenship. The U. F. C., which is the Saskatchewan section of the organized farmers of Canada, refuses to take political action, and is divided hopelessly between the Liberal and Conservative parties, while other groups formed in other parts of Canada are as yet unborn in Saskatchewan. In the face of these circumstances, how can a co-operative government be formed? Those who are making the attempt may be sincere. At all events, they have seized upon a well-favored word as a designation for their government, but neither the fundamental principles nor the necessary factors of a co-operative government are present. This mechanical arrangement by so-called representatives of a people who lack responsibility is doomed to failure. When it falls, let it not be taken as an argument against co-operative government. When the string which holds the kite breaks, the kite falls, but that does not prove the impossibility of aviation. When the string of expediency which holds the co-operative government

in Saskatchewan together breaks, it will prove nothing against the practicability of a properly-established co-operative government.

The necessary factors of a co-operative government are organized democratic groups. Such groups are being organized. The United Farmers, Labor, Manufacturers, and Bankers are the best examples of these groups. One the whole, these groups are not as mechanical as a political party. Many United Farmers' local units are truly organic and democratic. A local of this character does not, for instance, pass as many resolutions as the mechanical local does, but, when one is passed, it represents so well the thoughts of the people who passed it that they accept responsibility for it. When democratically organized units decide on the principle of co-operative government, we have the conditions which not only make the inauguration of co-operative government a possibility, but which are a guarantee of its continuation.

Parliament, as usual, will be the last to respond to the co-operative principle. The situation in the Canadian House of Commons at the present time is such as to warrant definite steps towards co-operation. Still, those steps are not being taken. On the contrary, every effort is put forth by the major parties to drive the new groups into one or the other. These reactionary efforts are indulged in instead of that intelligent readjustment which every new condition should bring.

United Farmer, Labor, Progressive and Independent Members, all representing organized groups of

people opposed to the party system, have, by their presence in Parliament, rendered the party system less workable than ever. The more groups and the larger the groups outside the major parties which make up the party system, the less chance there is for either party to command a permanent majority. The government of the day owes its existence to an alliance with one of these groups.

If the party system had been a creative force, instead of a static machine, it would have at once recognized the changed conditions and altered its practices accordingly in an intelligent way. As things are, we have a Government assisted by the official Opposition, trying to carry on a two-party system of Government in a six-party Parliament. History has no better example of fossilized political thought than is furnished right here. The only cases on record when an Opposition has dropped its combative attitude and rushed to the assistance of the Government are those in which the autocratic system which serves both parties equally well was threatened.

The people who have organized themselves as a means of discharging their responsibilities as citizens, and who have sent their own representatives to Parliament with a view to partaking in government, must continue their efforts, if they would be successful, until they have established a condition in which it is practically impossible for the party system to function. It is probable that if the present Government were assured that Farmer, Labor, Progressive and independent groups had come to Parliament to

stay, consideration other than that born of political expediency might even now be given these groups. It is the duty of those who would exchange the party system for a co-operative one, to maintain their organized group strength, regardless of its inconvenience to partyism, until success is attained.

Stable Government

The party appeal during the elections that are to come will be for a clear majority over all parties or groups, in the interests of stable government. What they really mean, is a majority in the interests of a stable partyism. The number of groups does not, and need not, prejudice the interests of stable government, providing the groups concerned have the intelligence of, say, a youth of fourteen. The various groups do, however, prejudice the interests of a stable partyism, and for that reason are opposed by party leaders. This is an added reason why every group in Parliament, other than those supporting the party system, should maintain and increase its present parliamentary strength. Only the repeated returning of these groups will prove, eventually, that they are the permanent factors out of which a new co-operative political system is to be formed.

What is the answer to the party plea for stable government?

The answer has been given clearly and finally in an editorial which appeared in the *Ottawa Citizen* on October 3, 1928. In view of the high position in Canadian journalism held by the *Citizen*, it may

be quoted with greater force than were the same facts to be stated by an ordinary individual. This editorial says in part:

"Party leaders in office like to have a much larger majority. They give out the impression that small majorities cause the Government to be unstable. From the point of view of public interest, however, it is far better to have unstable Government than to have a weak Opposition. In federal politics, Canada has had no better Government in recent years than during the term of office between the general elections of 1925 and 1926. In that period, the Conservative Opposition actually had more seats in the House than the Liberal administration. An independent vote of United Farmer and Liberal members kept the Government in office. Although the Opposition behaved outrageously by blocking estimates, refusing to vote Supply, playing politics with the Customs inquiry, and making frantic lunges in repeated efforts to grasp the so-called 'sweets of office,' the Government functioned in whole-hearted service to the Canadian people better than it ever did before or has done since."

Then, referring to the reduced majority of Premier Rhodes of Nova Scotia, the editorial continues:

"The Conservative administration in Nova Scotia will probably serve the province so much the better in the next four or five years for knowing that it has no absolute security of office. It can only hope to retain public confidence by serving the public without pandering to special privilege.

Nova Scotia should be within measurable distance of obtaining the benefits of the Old Age Pensions Act. The Liberal party committed itself to this measure of social justice during the election campaign. The new legislature might quite reasonably assume that it has received a mandate to bring in old age pensions."

Since the only "unstable" government which Canada has ever had, caused by the presence in Parliament of various groups, functioned "better"—in the interests of the people—"than it ever did before or since," surely there is no reason why those responsible for the presence of those groups should fear a repetition of the same kind of unstable government. The Government of Canada in 1925-26 functioned in the interests of the people. The instability of the party system is therefore the best guarantee of good government, and the maintaining of functional group representatives in the Commons is the best assurance of an unstable partyism.

The principle of co-operation is as essential to good government as it is to good business. It implies, in politics, what it implies in any other sphere, namely, the discovery of a common interest into which all special interests of diversified groups may be merged to the advantage of each. The greater the number of groups the more necessary co-operation becomes, and the more easily is it applied. But the groups recognized in Parliament should be limited to functional groups, or those groups which render indispensable services to humanity. Hon. C. H. Dunning, in a speech delivered in the House of

Commons recently, and in which he endeavored to argue against co-operative government, made a good deal of what he regarded as a dangerous multiplicity of groups. He said: "'If we have a Labor group, a Progressive group or a Farmer group, why not a Catholic group, a Methodist group and a Presbyterian Group?'"

Apparently, Mr. Dunning forgets that the party system, which he espouses, now harbors those groups which he fears might be encouraged by the adoption of a co-operative system of government. Not only do the two major parties include religious groups now, but these groups have, through the party system, an influence much greater than is healthy for the national life. The Liberal party in Canada is alleged to be dominated by Catholic influence, while the Orange Order and the Ku Klux Klan are said to be favored by the Tory party, or to seek favors from the Tory party, as the case may be. If these groups are dangerous, as Mr. Dunning suggests, he must not forget that the party system has fostered that danger, and he should show good faith by ridding his own party of all Catholic or Protestant influences. At all events, the recognition of functional groups, as units in a co-operative government, would not create the groups which Mr. Dunning professed to fear, since they are already created and active, but it would compel such groups to come out in the open with whatever claim they may have to influence legislation, and it would accord to other groups an equal share of influence, thus securing to the country whatever safety there may be in numbers.

Fixing a Quota for Groups

When Parliament shall, at last, be compelled, by the persistence of group representatives, to alter the form of government, it is possible that what some people regard as constitutional changes may be involved. It is certain that changes will have to be made whether to make them is constitutional or not. Their constitutionality is a matter of minor importance. Constitutions are valuable as long as their declarations are intelligent in relation to the conditions which have to be dealt with. When their declarations are not intelligent in this respect, they should be altered or disregarded, the proper course being to alter them by the same authority by which they were originally drawn, namely, the authority of the representatives of the people in charge of public affairs. To use a constitution to defeat justice or to prevent progress, as is often done in modern Parliaments, is to do violence to the spirit and principle of every constitution, and to invite ultimate disaster. If co-operative government means that the British North American Act must be changed, it will have to be changed.

Some critics of the co-operative idea of government have such a beclouded conception of it as to express fear of class domination, if it were adopted. The farmers of Canada, for instance, represent over sixty per cent of the entire population. It is argued that if they were sufficiently organized on a functional class basis, they would command a majority in the House of Commons always and would, in this way, establish class government. Such critics forget that

class domination by agriculture is much more likely to occur under the party system than under co-operation. The fact is that, if the farmers of Canada were to form a Farmers' Party, as the British Labor Party has done, nothing on earth could prevent their coming to power in Canada and staying in power. The farmers will be compelled to take that action if Parliament continues to disregard the co-operative principle in matters of government. It must be clear to any one capable of reflection that if the farmers, as a class, take political action under the party system, class domination by them would be the inevitable result, whereas, if co-operative government were established, class domination by any group would become an impossibility.

One of the chief reasons why organized farmers are asking for co-operation in government is to break the power of class domination which the party system has produced. Organized farmers know that they can constitutionally take political power in Canada if they so desire, but they also know that to do so would not be creative, progressive action. As a nation, Canada might be as poorly served by an agricultural class government as by a financial class government. Conscious of this, the farmers, while having the numerical strength to oust all parties and take power into their own hands, make the constructive and statesmanlike suggestion that governmental power be shared co-operatively or pooled just as they pool their wheat. It may well be, however, that the only way to convince party leaders of the unfairness and stupidity of the party system will be for the

United Farmers to take charge of political affairs, and hold political power until party leaders are convinced that they are to be the victims of their own system as long as it lasts. It would not take many years of farmer class domination to convince the present party leaders that a system of government which permitted such a thing should be abolished.

In order to prevent any possibility of class domination, a quota for each group should be constitutionally fixed. The function which a group performs is of vastly more concern to the state than the number which may be engaged in the performance of that function. For this reason, the basis of group organization and representation has been regarded in a previous chapter as functional. If a function is of sufficient importance to humanity to be recognized as a necessity by the state, then it must be regarded as on a basis of equality with all other necessary functions, and would, on that ground, be entitled to its quota of representatives.

It will be objected that government should not govern functions but should govern people. This, I believe to be a fundamental misconception of government. Governments have no business to govern people. People, on the other hand, must learn to govern governments. It is the highest function of a government to apply intelligence to the "things" which affect the life and happiness of the people, to the end that human beings may be less and less hampered by governments. With euphonious phrases and patriotic doggerel, people are accorded what is called liberty under our constitution, but things

and conditions are allowed to restrict the population to the point of slavery; we abstractly place restrictions on things, but in practical life allow them the fairway. What is the use of liberty to the man forced by economic conditions to starve to death? It is not the man that needs to be governed. Whatever governing is possible, must be applied to conditions, and the man will take care of himself. In other words, it is the functions of life which need to be regulated, adjusted, and, at times, restricted, not life itself.

The various functions of the social and economic life are all interrelated and interdependent. A government, in order to be in a position to contribute to well-being, must be in possession of all the facts in relation to each function. The best and easiest way to obtain the required information is to obtain it from those engaged in the performance of the function. A Parliament composed of representatives on a functional basis would be in possession of all the expert economic knowledge available with respect to the various functions. If it is agreed that representation of each functional group is a just and sound basis for government, then some way must be found by which each group may obtain adequate representation.

The quota system would insure equality in this respect.

By a quota is meant that every functional group, no matter how great or small in numbers, would have a fixed number of representatives in Parliament. Every functional group, no matter how small numeri-

cally, would have representation, while a large group, irrespective of size, would be so limited as to prevent it from dominating the others. The force of this will be seen if an example is taken from public health, and the production of food. These are both very essential functions. Both should be represented in government. But there are, perhaps, ten thousand engaged in the production of food for every one engaged in the medical profession. It will be seen that, with our present system of elections regulated by territory and numbers, and votes counted purely on a group basis, the medical profession would have no hope of electing a representative. The reasoning of the quota system is that, since the public health is as essential as public food, those engaged in public health work shall have government influence equal to those engaged in the production of public food. The value of the service rendered to the community, and not the numbers employed, shall determine representation. Function and numbers rather than territory and numbers, should be the factors considered.

The fixing of a quota functional group in Parliament would not only mean that every group would have representation, but also that there could be no possibility of one group dominating all the other groups. Further, if Parliament were reorganized on a group quota basis, an opportunity would be afforded to reduce the total number of members.

Great numbers of representatives are required, under the present system, because territory is given more prominence than function. Population, of

course, is also a factor today in determining the number of members in Parliament. Under the party system, a quota is fixed for Parliament as a whole, while, under the suggested co-operative system, a quota would be fixed for each function performed by society for human welfare. The basis of the present parliamentary quota system is the fecundity of Quebec. Whatever may be said for such a basis of arriving at the correct number of legislators, it is certain that it does not tend to reduce them. And, whether we like it or not, the intelligence of an assembly is not necessarily increased in proportion to its numbers. In all probability, the reverse is the case. Wise people are not as plentiful as mediocre folks. Organized farmers, labor, manufacturers or bankers might be able to select six wise men and women from each of their groups, while, if they had to find sixty, the level of wisdom might have to be watered down to mediocrity.

Apart from any speculation regarding intellectual qualifications, there is nothing more hopeless, from a business point of view, than a large assembly. If Parliament were composed of a dozen or two of the best informed men and women from the various functional groups of the country, it would do many times more business than is now done by the two hundred and forty-five members, and would do it more efficiently, more quickly, and less expensively.

In a Parliament composed of groups, a member's position would be that of a delegate. He would express and interpret the needs and collective views of his group. He would have no power except that

which was given to him by the people who sent him to Parliament. He, or she, as the case might be, would be regarded as a responsibility of the group represented. With each group accepting the responsibility for its representatives, great care would be taken in the selection of candidates. Each group would take a pride in the intellectual and moral calibre of its representatives, and the tendency would be to raise the standard of qualifications for the office.

The Issue Would Determine the Majority

The number of groups represented in Parliament would tend to stabilize government. The government would be what the majority of representatives determined, and there would always be a majority on every issue. The difference between a party majority and a majority determined by the nature of the issue before Parliament is just the difference between intelligence and non-intelligence. Perhaps, no practice in Parliament is less worthy of that institution than the party way of finding a majority. A vote according to the dictates of a party is a double insult. It insults the intelligence of the member and that of the people he represents. Under this system, an imbecile who would stand up when he was told would fulfil the function of the average party member of Parliament as well as the ablest man there.

The WESTERN PRODUCER selected for editorial comment an incident of the session of 1929, which is typical of the party system, and the remarks of the editor are so pertinent that they are worthy of

quotation. The incident was the amendment to the motion to go into Supply, moved by Hon. Hugh Guthrie. The score of Mr. Guthrie's amendment was that the rural mail carriers were to be placed under the control of the Civil Service Commission, and paid at a rate commensurate with their services, instead of being left to the mercy of a cut-throat contract system. This amendment of the motion to go into Supply was equivalent to a vote of want of confidence. "Consequently," says the editorial:—

"all the Conservatives had to vote for the amendment and all the Liberals had to vote against it. The U. F. A., Progressives and Independent members did not have to vote at all, but some of them did, some voting for and some voting against, in the perfect freedom conferred upon them by the knowledge that the amendment had no chance on earth of passing. It is important to note that the motion did not fail owing to lack of merit, but owing to the manner in which it was brought before the House. In this incident, we have an example of the perplexing features of the time-hallowed party system. Good taxpayers, who desire to see the country soundly administered, and who are anxious to be quite fair with rural mail carriers, are in deep ignorance of the rights of the matter, in spite of the spirited debate on the subject. They do not know whether Mr. Guthrie was in favor of putting the rural mail carriers under the Civil Service Commission, or whether he was simply endeavoring to put the Government in an awkward position. On the other hand, they have

no means of knowing whether the Liberal party were really opposed to the idea advanced by Mr. Guthrie, or whether they simply declined to admit that there could be any virtue in any project advanced by the Conservative party. One thing is quite certain, and that is that the point was neither debated nor decided on its merits, but on political considerations which had nothing in the world to do with the welfare of the rural mail carriers or the recipients of the rural mail. Such things are the inevitable result of the party system—the system which, for some inexplicable reason, seems to secure the verdict of popular favor with no evidence to support its claims.”

The party machine decides every issue which a Government party or an Opposition party introduces. The machine, rather than the people thinking through their representatives, decides the fate of every government motion. Instead of the Government doing whatever a free majority of Parliament decides, it compels Parliament to do what it wants, through a mechanical majority made to order and used at will. The following figures will illustrate the party-system method and the co-operative group method of obtaining a majority:

In figure 1, the section marked G represents the Government party and the section marked O represents the Opposition party. The lines which describe the parties describe also the divisions taken during any Parliamentary session. The issues count for nothing. it is the party introducing them that counts. If the Opposition introduces a motion, no

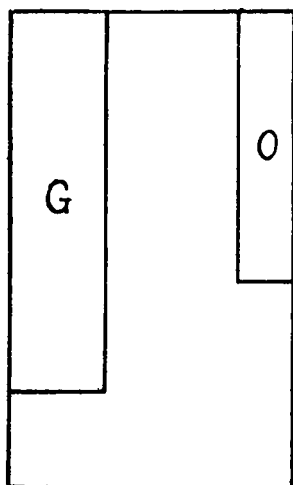


Figure 1

matter what virtue it may possess, the Government party will vote solidly against it. If it is a Government motion, the Opposition will vote against it. The only way in which an Opposition could hope to get the Government to vote for its motions would be to move the very opposite of what it desired to accomplish.

Figure 2 represents a Parliament composed of groups in co-operation. The line A-B shows the division on one issue, C-D on another, and E-F on another. A vote, according to the intelligence of the members, might cut through any group or run in a zigzag course through any or all groups. But, no matter which way it runs, it will find a majority

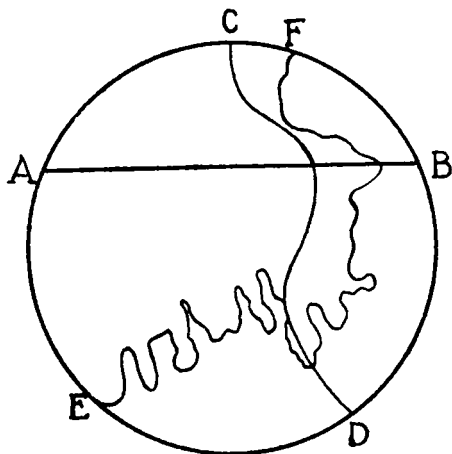


Figure 2

and will reflect the real mind of Parliament. It will then be the business of the Government to put into effect the decisions of Parliament and not, as is the present practice, for Parliament to give effect to the decisions of a party Government.

The Supremacy of Parliament

High-sounding phrases are the delight of Prime Ministers. The supremacy of Parliament is one of the phrases which is most in use at times when Parliament is being flouted by the supremacy of the party system. Every Government measure involves the defeat of the Government. In other words, the Government dares Parliament to have an opinion contrary to its own, and it makes good its dare through

its previously-arranged machine majority. Government opinion is at least 60 per cent wrong always. If there were one hundred measures introduced by the Government during a session, and Parliament were to vote against the Government the sixty times it was wrong, there would be sixty elections one after the other and the result would be chaos. Party men, therefore, argue that the only alternative to partyism is chaos, or that it is hopeless to become intelligent.

Every one who has given any thought to the matter knows that the party system is not the only alternative to chaos. It is true that intelligence and the party system cannot exist together, and the chaos which follows the exercise of intelligence in Parliament is not due to the fact that intelligence is used, but rather to the fact that unintelligent party governments insist on continuing the party system.

Here are sixty defective measures out of a hundred—no Opposition would concede that there were forty good ones, so that this is a generous estimate,—and the best that the party system can offer is to pass sixty defective measures or plunge the country into political chaos.

There is another alternative, and that is to abandon a system which, while sixty per cent wrong, refuses to be corrected. The reason why the party system refuses to be corrected is that the process of correction would destroy the system. The party in power must be supreme or the system dies. Were Parliament to correct the errors or the wilful malpractice of the party in power, that would mean the supremacy of Parliament. There cannot be two supremes, so the

supremacy of Parliament is a phrase used chiefly to tickle the ears of democracy, and the supremacy of party is the sacred thing triply guarded—by the walls of the constitution, the threat of dissolution, and popular ignorance of the question.

Co-operative government would establish the supremacy of Parliament and destroy the supremacy of party by separating every issue from the life of the administration. Every issue would then stand or fall on its own merits or demerits. Members of Parliament would know that, under the co-operative system, they could vote on each issue according to their own intelligence, without bringing about dissolution, and that, if the defeat of the Government was desired, an issue might be made out of that alone.

Through the parliamentary practice of the party system, it is possible for a so-called bad issue to be passed on the prestige of a good government, or a government to be sustained on a good issue purposely introduced. The co-operative system will clear up this muddle. Government defeats and legislative measures will be separated. When it is desirable to defeat a government, Parliament will make that a specific issue, disentangling it from all legislative measures whatsoever. Government will then be what it ought to be—the instrument of Parliament; and Parliament will be the instrument of the people.

Apprentice Ministers

The incompetence of governments is proverbial. The public has no confidence in the ability of any

government to administer anything efficiently, except patronage. Multitudes of people who adhere to the social principle involved in government ownership of public utilities vote against government ownership because of the extravagance and general inefficiency of administrators. The reason for this chronic inefficiency is inherent in the party system, and there is no remedy while that system lasts.

Administrators are chosen from the ranks of the party which has been successful in securing a majority at the polls. Service to the party is the basis of selection. The qualities which make a successful party politician are not such as are required by an administrator. A man may have an attractive personality, know a lot of political history, especially that which reveals the weaknesses of the opposing party; he may have a good general knowledge; be an excellent orator; be honest, and even be a philosopher, and yet be utterly useless as an administrator. The average politician may even be a good legislator, and yet be a hopeless failure as the head of an administrative department. The qualities required in a good legislator are so vastly different from those required in an able administrator that they are seldom found in the same individual.

Moreover, the average politician is not always well informed, nor is he always a philosopher. More often he is a very ordinary person, neither better nor worse than the average citizen, and, as a rule, with little experience of administrative work, and perhaps none at all of work of a public character. Still, he may have helped to win an election for his party.

He may be a clever writer, an able stump-speaker, or a good organizer. He is therefore rewarded with a portfolio; he is pitchforked to the head of a Department of public business involving annual expenditures of millions of dollars. Should his inexperience or lack of ability lead to a deficit in his Department, all that he has to do is to increase the vote of money the following year. The taxpayers, unaware of what is going on, pay the bill, and the politician, who became an administrator because of services to his party, becomes a Right Honorable, and is regarded as a wizard.

Could a system of this kind anywhere produce anything but inefficiency? Government administration is inefficient not because it is government administration, but because of the method used in the selection of administrators.

Take another example of the system. We will attach this example to a prominent member of the Government of the day just to make it the more striking. Canada owns, or at least operates, a national railway. The bondholders still own it. At any rate, the operation of the national railway may be regarded as the greatest single piece of business which the Government has to do. Railroading is a particular and special science of itself. Railroad presidents are, of course, born like other people, but they have also to be made. It is safe to guess that not one politician in a million could adequately manage a great railway system. How then, does Canada's party system find heads for its railways?

Hon. C. H. Dunning is the present Minister of Railways. He was Premier of Saskatchewan. The party needed him at Ottawa. He could not be expected to give up a premiership for nothing, so he was given the important position of Minister of Railways. Up to that moment, Mr. Dunning knew no more about running a railway than any one else who had never done so. The extent of his experience was that he had ridden on a railway carriage on several occasions, but, no doubt, when he left Saskatchewan for Ottawa, knowing that he was to be Minister of Railways, he made a special study of railways on the trip East.

Canada, for the time being, was fortunate in its choice. Hon. Mr. Dunning happens to be both able and clever. Also he had had experience in doing public business, and was therefore an apt apprentice to the railroad industry. With several years of apprenticeship to his credit and a knowledge obtained at the expense of the Canadian people, just as all other Ministers learn what they do learn of administration at the people's expense, Mr. Dunning has reached a point where he can probably render to the Canadian people a service which repays them well for his apprenticeship. Then what happens? An election comes along. Mr. Dunning's party will be defeated and the people will lose Mr. Dunning and the service which they have, at their own expense, prepared him to render.

This is not a prophecy of the results of the next election. Whether the Liberal government is defeated at the next election or not does not alter or

affect the point of the illustration. It is more than likely that the present Government will be defeated at some election, as the party concerned has been in the past. And, when it is defeated, we shall have a new apprentice to railway administration, and for all other departments as well, just as we had when the Rt. Hon. Mr. Meighen's government was defeated. Then we got a new Minister of Railways, as well as a new apprentice Minister in every other department.

Now, will any sane person, in view of the practice described, vote for the party system in the expectation of obtaining efficient administration?

It is true that reasonable efficiency is not absolutely unobtainable on rare occasions, but, when such occurs, it is due to accident, as it cannot possibly be a product of the system. Any business corporation which adopted the same or similar methods, would be bankrupt within six months. Nevertheless, this is the system which those who deplore government inefficiency vote for at every election.

It will be advanced by the defenders of the party system, that the deputy ministers are the expert administrators, and that Sir Henry Thornton is the head of the Canadian National Railways, and that therefore the apprentice Ministers cannot do much harm. The deputy ministers do prevent government administration from becoming a total wreck, and, if they were left alone, no doubt they would give efficient administration. But the inefficiency found in all government undertakings is sufficient proof that the deputies do meet with interference from the Minister apprentices. Be that as it may, the obvious reply

to the argument that permanent deputy ministers guarantee adequate public service is that, if the deputy ministers are doing the work of administering and carrying on a continuous service regardless of government defeats and ministerial changes, then they should have the responsibility, the salary and the credit. Why hire a novice called a Minister at a higher salary than the expert deputy, when the best that the minister can do, in most cases, is to interfere with the deputy's program, to the detriment of public services. It would be difficult to imagine anything more inefficient.

If we are to continue to have Ministers as heads of the various Departments of public service, some way will have to be found by which those of ability who serve what is virtually an apprenticeship at public expense will be allowed to continue to serve as long as they are honest and efficient servants. In addition to the waste and stupidity of the present practice, the uncertainty attached to the appointment, or perhaps one should rather say the certainty of being displaced with a change of government, which may occur at any moment, discourages men and women of outstanding ability from being ambitious as administrators of Departments of public service.

Separate Administration from Legislation

The function of administration should be a separate one from that of legislation. Administrators should be responsible to Parliament, but should not be members of Parliament. The functions of government are regarded as being discharged under three

divisions, namely, administration, legislation and the judiciary. Judges are not changed every time the parties in charge of administration change. It is the function of the judges to interpret laws as passed by Parliament. They are not disturbed by the mere incident of a changed majority in the Commons. The majority may swing from one party to the other in a general election, or an issue on rare occasions may defeat the government of the day in the House of Commons, but the judiciary is not affected thereby. Why should it be necessary for those in charge of administration to walk out of office because the majority in Parliament has switched from one party to the other? There is no answer to this question which will stand the light of reason. The answer given to it invariably is that, ours being a responsible system, the Government must vacate office every time the people change their support from one party to the other. Such an answer is not reasonable; it is merely a political doctrine which has no intelligent basis on which to rest.

Suppose for a moment that the present deputies were to be henceforth recognized as heads of Departments, would it then follow that responsibility could not be placed? Surely no one will uphold such nonsense. What does responsibility mean, as it is theoretically implied in the term "responsible government" under the party system? It is of the utmost importance, in this connection, to note the words "theoretically implied." For every one knows that a party government is not responsible, in reality, either to its party, to Parliament, or to the people.

The opposite is nearer the truth—the party, and even Parliament, are responsible to the Government. And the people, while not conscious of personal responsibility, are, in the last analysis, held responsible, since they have to suffer the effects of the blunders, the extravagance or the maladministration of any government given to such practices.

What recourse have the people against an unsatisfactory government? They have to wait patiently for four or five years while an incapable government, through the strength of its machine majority, muddles public services, plunges the country into a war or burdens it with debt, and then finally, when the damage is done, to discharge the government by popular vote. The government is said to be responsible in this case because the people have an opportunity, periodically, to defeat it at the polls.

Why could not the deputy ministers be held responsible to Parliament, and Parliament be, as it is supposed to be, responsible to the people? Or to put it more clearly, why could not Ministers or heads of Departments be permanent employees of Parliament? If this were the case, responsibility, which is only a theory in party government, would be effective at once. Parliament could immediately discharge an incompetent Minister. No need to wait four years to accept its responsibility in this regard. Moreover, if, under this proposal, Parliament were to recognize the responsibility which it is even now supposed to exercise, it would not be so foolish as to dispense with the services of every departmental

head at one fell swoop because of the incompetence or dishonesty of one of them.

According to the practices of partyism, when a government is defeated, all Ministers resign; no distinction is made between sheep and goats on that day of reckoning.

How does a Minister face his responsibilities in the wide latitude permitted him through the strange workings of our system of so-called responsible government? Here is a case in point. During the session of 1929, a Minister of the Crown was charged with permitting irregularities in connection with public funds in his Department. The charges were of a serious character and were extraordinarily well substantiated. The Minister not only defended himself by argument and counter-charge, he voted for his own innocence and called for the support of his party. He got that support and is still in office. Before the next election, he will probably retire from public life of his own accord, and will likely receive some appointment as a reward from his party. Who is going to hold him responsible?

Take another case, also from the 1929 session. A minister was charged with permitting a corporation to secure certain valuable hydro-electric power sites without consulting Parliament, although he had given assurances to it that no action was to be taken. In this case also, the Minister, faced with a serious indictment, voted for his own exoneration. Rumor has it that this Minister is now slated for the Senate. If he goes to the Senate, as he no doubt will, by whom will he be faced with his responsibilities? Grant, for

the sake of argument, that the Minister in question was at fault, that by his carelessness, incompetence, or wilful design, a corporation obtained valuable natural resources which properly belong to the people; grant also that he will be given a seat in the Senate; then our responsible system of government may mean that a Minister is rewarded with a high position and an income for life for his irresponsibility. He will, henceforth, be paid by the people to govern the people as a reward for having misgoverned the people. And this is "responsibility!"

The most vital query to be raised with respect to responsible government is, "To whom are the financial interests responsible?" They are the government; political parties are the instruments by which the financial interests govern. Since these interests are the real government, and, since they are responsible to no one, we do not have responsible government.

Representatives of democratically-organized functional groups, co-operating with each other and directly responsible to the people electing them, would constitute a Parliament supreme over all administrators and over all legislation. Such a Parliament would be forced to engage the best administrators to be found in the country, and to hold them responsible for their several Departments. The position of head of a Department would then be as permanent as the good qualities of the one holding it would warrant, or as impermanent as incompetence deserves. In this way, the country would gain by the experience which years of service would bring to its administrative staff, and would be saved from the possibility of the

perpetual incompetence which the party system makes inevitable.

Popular election is one of the most inadequate and outworn parts of the party machine. The only function it performs is to decide which party shall take office. The returning officer at every poll has a casting vote to be used in case two or more parties have an equal number of votes. Being so arranged, the system cannot fail to find a majority for some one in each poll. It performs no other service. Every other feature is harmful in the extreme to the body politic.

As a means of deciding an issue, popular elections are ridiculous. The chief aim is always to obtain a majority. The vote of the least intelligent is equal to that of the most intelligent. If an issue worthy of the intelligent voters is presented, the unintelligent will not understand. For this reason every popular appeal with a view to securing a majority must be lowered, not only to the level of what is called the average intelligence, but to the level of the lowest intelligence in the entire mob. Political thought,—if it be permissible to use the word “thought” in this connection—is therefore in the gutter. Because of this condition, a rapidly increasing number of people refuse to take any interest in elections, and will not insult their own minds by going to the polls when they have no choice but one or other of the party candidates for whom to cast their ballots.

Political issues today are necessarily as complicated as the economic conditions of which they are

the expression. The specialization in industry and functional organization previously noted have given the various groups a special knowledge which they are not called upon to exercise in the general appeal of a popular election. On the other hand, were each group permitted to elect its own representatives irrespective of other groups, the special knowledge as well as the particular problems of each group could be preserved and would be dealt with in Parliament by all the groups together. In the one case, the issue is made in a mechanical way so as to appeal to the lowest intelligence, as this is the only way to make certain that no one is left out, it being presumed that the wiser electorate will surely understand what the simplest are not able to comprehend. In the other case, the issues would be the product of the people's own intelligence, would be the expression of their own needs and would be so varied as to make it impossible to reduce them to a common denominator for the purpose of popular appeals.

Who shall be the representative and what he shall represent cannot be settled by one vote. An elector may be satisfied with the individual candidate and yet be in sharp disagreement with that candidate's policy. If the candidate's policy is a party platform—which some humorist has likened to a Christmas tree with something on it for everybody—then the elector is hopelessly bewildered. If there are twelve so-called planks in the platform of each party candidate, the intelligent elector will have to examine each plank. Suppose that he agrees with seven planks in the Liberal platform and with only five

in the Conservative platform, it will be presumed that he would then vote Liberal. He might, of course, decide that the Conservative candidate was a better person and thus balance issues against personality. But let us not further complicate the situation by introducing the respective merits of the candidates—let us suppose that the elector decides to vote Liberal because he agrees with seven out of the twelve planks in the popular platform. What then? In order to obtain seven things that he desires and believes to be good, this elector must sanction five things which he does not want and which he believes to be very undesirable. Is this an intelligent procedure? No one will say that it is. But it is what every elector must do in every election.

Popular elections have other weaknesses. They may be fittingly described as brief periods of collective insanity induced by expert mob psychologists and trained advertisers. The entire nation becomes a mob under the influence of platform and press. Clear thinking is almost an impossibility. In the highly emotional atmosphere, and in the hubbub and uproar of its unbridled expression, calm and rational reflection is out of place. For the time being, the national mind is blank and the mob reverts to the guidance of the primitive instincts of fear, hate and prejudice. The accessories of this exalted "ballyhoo" have been such things as liquor and money, patronage and defamation of personal character, religious and racial prejudice, lies and childish speculations. These, with the savage instinct of conflict, all conspire to prevent the people from giving consideration

to any issue or from coming to a sane conclusion on any question. No doubt, the leaders of these periodic mental debauches are unaware of the effects of their actions. The results are nevertheless unavoidable.

Such manifestations of undesirable psychological phenomena, which might be described as a mental pageant in which appear in full regalia the resurrected fears and prejudices of the race, occur in all countries. Density of population and the flow of money determine the dimensions of the jamboree. The Right Hon. Stanley Baldwin, ex-Premier of Great Britain, in commenting on popular elections in his last campaign, is reported in the SATURDAY EVENING POST as having said: "The proximity of a general election has a curious effect on the mentality of many people. At these times, they are inclined to say 'let two and two make five for a time, let us make figures into adjectives and draw bills on the future, provided that the day of redemption is subsequent to the date of the election.' " Like every other ex-Premier, Mr. Baldwin knows election psychology. He knew, for instance, that not only did two and two make five when Mr. Ramsay MacDonald was defeated over the forged Zinoviev letter, but that nothing and nothing made a patriotic issue which swept the Conservatives into power.

The flag is always at hand, When the election patriot has nothing in his head to offer, he wraps the flag around it and dares any one to knock his block off. When the people see their noble flag they rush to its protection, not knowing, of course, that what

they are readily doing is protecting the empty head wrapped up in it.

Popular elections will not be required when people are organized, and democracy is capable of minding its own business. When that time comes, each organized group will elect its own quota of representatives to Parliament. When one of the elected members dies, another will be sent; when one, for any reason, becomes incompetent, he or she will be recalled and replaced by another. All the tuss and uproar of general elections will slip into the past where they belong. Then real issues will be discussed and settled by the people themselves, and each group will become responsible for its decisions.

"But," it may be objected by party advocates, "such a system of selecting representatives would mean that each group would be elected on a different issue, and how could a national policy be made out of such varied views?" Certainly each group would have a different issue, and properly so. And it would be the business of Parliament to consider each of those issues on its merits. The national policy would be what Parliament decided after having studied every problem as presented by the respective groups. National policy would then be found in the acts of the people's representatives. Today, national policy is an attractive promise of a party machine which a mob follows in preference to its own business.

One has but to compare the election speeches of organized group representatives with those of party politicians to discover the difference between the

two methods. While the group representative must still put up with the folly of popular elections, he expresses the economic and social needs of his group and takes his chance. Intelligent voters who do not belong to his group vote for him rather than use their votes to perpetuate the party system. The issues discussed by Farmer and Labor group representatives in a campaign are vital, if at times narrow and particular. These people do not use party methods or popular appeals. This fact does not imply that group representatives are of a higher calibre of humanity than those of the party system. It means only that they are responding to the needs of their times, while the party man exploits the weakness of humanity.

Why Will Group Representatives Co-operate?

If we had a Parliament composed of group representatives as described, and if these group representatives should fight with each other instead of co-operate, we should be no worse off than we are under the eternal conflict of partyism. That such groups would fight is the cynical prediction of those who flout the proposal of co-operative government. It is alleged to be human nature to fight, that co-operation in government has never been tried and therefore it is concluded to be impossible. An answer befitting this objection is that, even if these contentions were true, and co-operative government would result in endless conflict among groups, that, in itself, would constitute a reason for the objectors' support, provided they were logical. For, if it be human nature for people to fight against each other,

and if partyism is sustained as a conflict system representing human nature, then co-operative groups should be supported if it is thought that they will lead to more and better fighting, being a more perfect example of human nature.

It is, of course, not human nature to fight. It is human nature to get what it wants—that is, the best for itself,—for the least possible effort. If what is wanted can be got without fighting, it pleases human nature so much the better, but, if it cannot be secured in any other way, human nature will fight, but will be sorry to have to make such exertions and encounter such dangers in order to get what it wants. Incidentally, it is also true of human nature that it sometimes ignorantly loses by fighting for that which it could have obtained easily by intelligent means. That is accounted for by errors of judgement. Party advocates suffer from these errors.

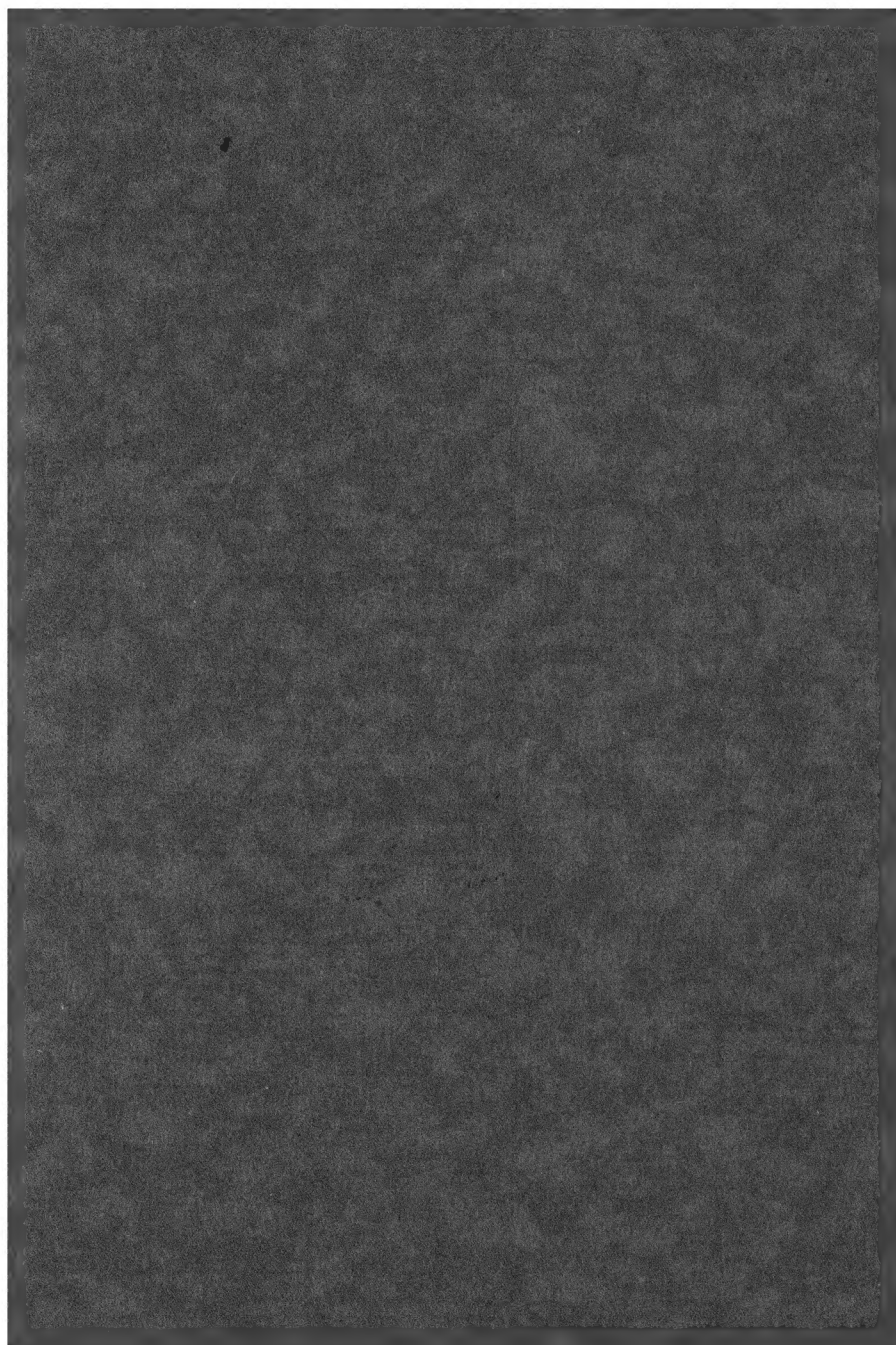
In any event, those advocating co-operative government have no desire to attempt to upset human nature. Rather the co-operative principle is seen to be peculiarly adaptable to human nature.

To obtain political power is, of course, a privilege. There was a time when political power was of great advantage to those securing it. In other words, it was worth fighting for. Those securing it could make slaves of those losing it. Moreover, political power could be had for the fighting. Those who were strong and skilful could become victorious. The advantages of political power are not what they were prior to the days of interdependence, and with a group representation on a quota basis, it would be impossible to attain it.

When there are only two parties, one of them must dominate. If, however, there are in Parliament six groups of equal size, the hope of any one group ever obtaining power over all the rest would be gone. Now it is not human nature, or any other nature, to fight for a known impossibility. Hence we may conclude that, because human nature is what it is, a Parliament composed of a number of groups of equal strength would not fight as the parties do to-day, but would look for some better means of obtaining their ends, always keeping in mind, of course, that the end desired by every group is the best for itself.

As was demonstrated in the chapter dealing with the interdependence of the functional groups in society, the best interests of each group are inseparably connected with those of all other groups. In this changed relationship in human affairs, the best interests of one group must include the best interests of all groups. This being so, no single group would accept political power lest its ignorance of the best interests of other groups would lead it to pass legislation which would be detrimental to other groups and incidentally bad for itself. Parliament should be as organic in structure and action as the civilization which it should reflect. A group which, if permitted, legislated as if it were the only group in existence, would very soon discover that it had blundered, that it was not serving its own best interests. Discovering this, it would not desire to fight for a monopoly which resulted in its own disadvantage through being harmful to all its associates.

It may be concluded, then, that, since it is human nature to seek the best for itself for the least possible effort, co-operation will be adopted because it does both. It will yield the best results to every group in view of their organic interdependence, and it will be the easiest way of attaining that result, since it will be mutually sought. It will be impossible, because human nature is what it is, for any group to fight for control of power when it knows that it will be better for itself to share the responsibilities of power. It will also be impossible for any group to get power under the constitution of a co-operative government. These are the reasons why groups in the Parliament of the future will co-operate rather than fight.



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